

PLUMB
CENTERS

WOS

Inish

FT Weekend



The Wildest Swan
'Madame Chiang Kai-shek: perfect, exotic, powerful, sly, haughty, gentle, and nearly 100'



Sheer dressing
'Since Eve, playing hide and seek with the erogenous zones has been a tricky business'

Page I

Page XII

<http://www.FT.com>

Brussels condemns members for failing to control infected beef

EU attacked over BSE

By Caroline Southey in Brussels

Evidence that many EU countries have failed to detect the full scale of mad cow disease or protect consumers from infected beef is revealed in a damning European Commission report.

The document reveals an alarming picture of poor controls and a lack of trained scientists which is preventing the detection of bovine spongiform encephalopathy (BSE) in some European Union countries. It also says BSE-infected cattle may still be entering the food chain.

The findings of the report – by the Commission's agriculture directorate and based on inspections in 18 EU countries – have caused consternation in some, notably Germany, where officials are described as "apoplectic" at the criticisms.

The UK and Portugal were not included as they have already

had numerous Commission inspections. The EU imposed a world-wide ban on British beef a year ago after the UK government triggered a crisis in the beef market by admitting a possible link between BSE and the fatal Creutzfeld-Jakob human brain disease.

The report lends strength to British government claims that BSE is not confined to the UK and that its EU partners have neglected to take action.

Dutch scientists have calculated that at least 1,688 cases of BSE should have occurred in the EU, but only 291 cases, excluding the UK, have been reported to the Commission. These occurred mainly in Ireland (204), Portugal (54) and France (26). The UK figure stands at 172,783.

The report's findings reveal a catalogue of errors in the way individual countries have tackled the threat of mad cow disease.

● There are no uniform rules for detecting BSE. Local authorities are issuing different regulations on how to identify and treat a suspect case clinically and dispose of carcasses.

● Cattle with central nervous symptoms like rabies, but which have not been declared BSE-free, may have entered the food chain.

● There is poor diagnosis of BSE and a lack of trained laboratory staff. A "high number of samples" arrive at laboratories in unsuitable condition for testing.

● Early detection is not taking place because official veterinarians are not always familiar with the early clinical signs of BSE.

The report was originally commissioned in order to strengthen the hand of Mr Franz Fischler, EU agriculture commissioner, who has fought in vain to persuade farm ministers to ban material such as brains and spinal cords from the human and

animal food chain. Ten countries voted against Mr Fischler's proposal which included banning the high-risk material from goats, sheep and cattle. Only France, Germany, Ireland, Portugal and the UK voted in favour.

The report calls for a network of BSE surveillance in all member states; a central data base on all suspected cases; and guaranteed training in methods to detect and diagnose the disease.

Its general indictment of practices in the EU is bound to increase pressure to publish the confidential studies of individual countries, which provided material for the report.

A British government spokesman said: "The UK has not seen this report. We are sure that our controls mean that British beef is safe."

Ministers play down food hygiene row, Page 4

Anarchy and anger in Albania

By Guy Dimmore in Tirana

Facing a barrage of abuse, an official appeared at an upstairs window, appealing for calm through a megaphone. "Please wait quietly," he shouted. "By Monday you will get your money back."

Albania's state of emergency forbids public gatherings of more than four people but yesterday – as every day – a crowd of several hundred milled about the offices of Vefia Holding in Tirana, demanding the return of their life savings. Iron railings and police held them back. Nobody believed the promises.

"We want our lost money," said Mr Alifush Laci, an unemployed former union official who deposited \$6,000 in Vefia's pyramid scheme. "I don't believe in democracy any more. They made so many promises."

Crowds defy state of emergency as rebels refuse to lay down weapons

The angry crowd was scathing in its criticism of President Sali Berisha's government. People voiced sympathy for those in southern Albania who had taken up arms and now control at least four towns.

"We are all brothers and sisters here. The people of the north and south will not fight each other," said Mr Laci, referring to the ethnic divisions running through Albania. Mr Berisha is a northerner and his powerful security apparatus rules heavily on loyal recruits from the north.

By yesterday the southern rebels showed no sign of heeding a government appeal to lay down their weapons under a 48-hour

check papers at road blocks.

The city's main market is piled high with produce but on closer inspection few people are buying. "They've lost all their money in these pyramid schemes," complains one stallholder.

At night, meanwhile, the feared security apparatus is busy. Journalists from the biggest independent daily, Koha Jone, move from one house to another to avoid arrest. The newspaper's premises were firebombed on Monday and several staff detained and badly beaten.

Kevin Done in London adds: Last night Mr Berisha was facing heavy pressure from the European Union to hold fresh elections. Mr Hans van Mierlo, Dutch foreign minister, visiting Tirana, urged him to agree to opposition demands to form a broadly-based government of "national reconciliation".

While towns in the south are in anarchy, with even children carrying weapons, Tirana is calm. Under the state of emergency imposed on Monday there is an eight-hour night curfew. Schools are closed and factories and offices stop work early. Police

amnesty which expires at dawn on Monday. The government, under an agreement with opposition parties, said it would suspend military operations during that period.

Rebels control a southern coastal stretch making up about 10 per cent of Albania. They man tanks and other heavy weapons looted from government arsenals or provided by defected soldiers.

While towns in the south are in anarchy, with even children carrying weapons, Tirana is calm. Under the state of emergency imposed on Monday there is an eight-hour night curfew. Schools are closed and factories and offices stop work early. Police

News General

German miners occupy pits

The German government faces a new crisis after plans to cut coal subsidies to Dm10.5bn (\$14.5bn) a year in 2000 from Dm11bn this year drove miners to occupy their pits and the opposition Social Democratic party to break off talks with Chancellor Helmut Kohl's coalition on tax reform. Each job in Germany's coal mining industry costs the taxpayer Dm10,000 a year. Chancellery head Friederich Bohl said the plans would secure 50,000 of the 90,000 miners' jobs. Page 2

China to buy a Chinese city A rousing stockmarket debut for the Shenzhen city government revealed strong international interest from abroad for China's fast growing urban centres. It follows similar success for Shanghai and Guangzhou. Shares in Shun Yip, the flag-ship investment vehicle of the southern boom town, soared to HK\$12.20 (US\$1.41) when trading started, more than double the issue price. Page 3

Renault withdraws aid bid for Renault Spain Renault withdrew a request for permission to grant state aid to French carmaker Renault after European Union competition commissioner Karel Van Miert threatened to block the aid following the company's decision to close a Belgian factory. Commission officials had warned the aid request would be scrutinised to ensure Renault was not moving production to take advantage of state subsidies. Page 2; Lex, Page 24

THE NEW LOOK FT

The Weekend FT has been given a facelift. The new style reflects the reality that our readership is broader and our emphasis differ on a Saturday.

We aim to provide the best business coverage in the world and have devoted extra space to corporate stories, which have a new home at the back of the first section. The back page is completely corporate, and you will turn inside to a larger Companies and Markets section.

The Weekend supplement was expanded in advance of the design change, with the page order adjusted to highlight the reading and entertaining sides of our character. The Weekend Investor pages now run as a spread inside the back page, which is the same as our UK edition.

And the new masthead? It is intended to be eye-catching and to show that we are serious about the business of business and the business of relaxing. We hope the signposts are clear and that you enjoy the weekend walk through our pages.

News Business

Aéropostale in the black

Aéropostale, the French state-owned aircraft, space and defence group, announced annual net profits of FF812m (\$142.5m) and predicted completion of its privatisation, following its imminent merger with Dassault Aviation, by the end of this year. Aéropostale's turnaround from a FF981m net loss in 1995 was largely the result of last year's absence of restructuring provisions which in 1995 amounted to FF1.4bn. Yves Michot, president, forecast net profit would double this year on higher turnover and the effect of cost-cutting. Page 24

NatWest blames failure of controls for £250m hole Britain's National Westminster Bank found that a failure of controls in its investment bank allowed former derivatives trader Kyriacos Papoutsis to mis-price options for up to a year before it found a £250m hole in its balance sheet. Page 24

Japanese offered sexual harassment insurance Japanese businessmen are to be offered insurance policies covering sexual harassment. AU Insurance, Tokyo-based subsidiary of American International Group, will target Japanese expatriates, especially in the US. Japanese companies have become sensitive to the risk of the huge financial liabilities over sexual harassment suits in the wake of the Mitsubishi Motors affair last year. Page 24

ITT to sell Madison Square Garden stakes ITT, the US hotel and casino company, is to sell its 50 per cent stake in New York's Madison Square Garden complex for \$650m to Cablevision Systems, one of the biggest US cable TV companies, which already owns the other 50 per cent. The sale is part of ITT's defence against a hostile \$6.5bn bid from rival Hilton Hotels. Page 23

Man in the news
Louis Schweitzer

The Renault chairman has upset the Belgian nation by deciding to close the French carmaker's only assembly plant in the country with the loss of 3,100 jobs. Belgium's long voiced concern and European Commission president Jacques Santer called the move a "grave blow to confidence in Europe".

See page 7

Contents

News	2,3	Companies II	21-24	Managed Funds	9-15
UK News	4	Markets	9	Money Markets	9
Weather	24	FT-SE Actuaries	20	Recent Issues	19
Letters	24	FTSE-A/Had Indices	23	Share Information	16-17
Features	26	Foreign Exchange	23	Hedge Commodity	5
Letter Page	27	Gold Market	23	Hold Commodity	16-19
Letters	28	Equity Options	19	Weekend FT	20
Men in the News	7	London SE	20	Section II	21
Contributors		LSE Dealings	21		

JYK/1995/2

FT Weekend



British bubbly
'The next most of us thought was champagne was actually made in West Sussex'

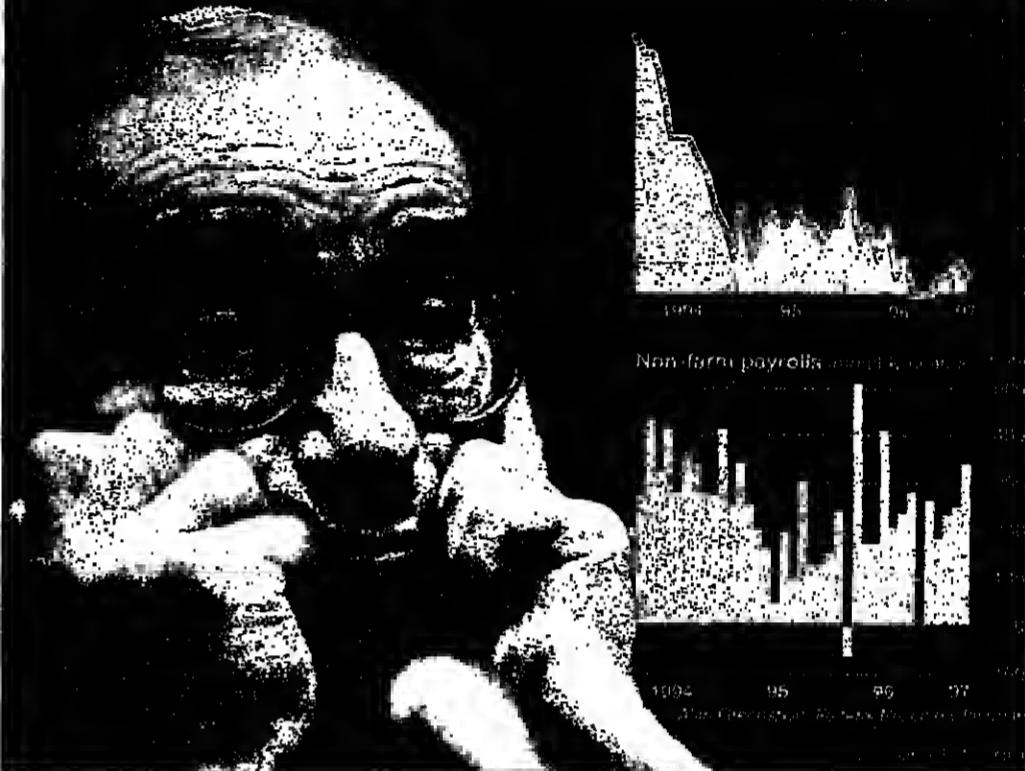


Tony Jackson
'Unfunded pensions are a chain letter – those in work when the system stops have to pay'

Page XIV

Page XXII

US labour market



Jump in US jobs brings new fears of interest rate rise

By Gerard Baker in Washington

Another sharp increase in employment last month provided fresh evidence that US economic growth is accelerating.

It provoked renewed fears that the Federal Reserve will increase interest rates soon to head off emerging inflationary pressures.

The Labour Department reported non-farm payrolls increased by 239,000 in February, helped higher by unusually mild weather across the US. The increase was the biggest for nine months and was much larger than analysts had forecast.

The surge in employment last month was led by the construction sector, where 108,000 jobs were created in the exceptionally mild weather. Service sector jobs rose by 230,000, while there was a

slight fall in manufacturing employment of 2,000. Wage costs showed only a slight rise last month, in spite of the increasingly tight labour market. Average hourly earnings edged up by 0.2 per cent on a month earlier.

The longer-term earnings trend points to a steady growth in inflationary pressures, however.

The figures provided fuel for speculation that the Fed will move to raise interest rates as early as the next meeting of its open market committee on March 25. Last week Mr Alan Greenspan, the Fed chairman, warned of signs of emerging inflation in labour costs.

Currencies, Page 8
World stocks, Page 19



NEWS: INTERNATIONAL

Ukrainian drinks king runs Coca-Cola out of town

In the town of Uzhgorod, in a mountainous corner of Ukraine, the undisputed colas king is Mr Sergei Ratyushnyak, a 35-year-old bodybuilder who wears Stetson cowboy hats and black jeans. He is also the mayor, and his colas Rata has out-boxed Pepsi and Coca-Cola.

"Why do we need Coke? The demand here is completely satisfied," says Mr Ratyushnyak, who made his money on Uzbek cotton and Russian metals before settling on consumer industries.

In the newly privatised shops in Uzhgorod, Rata hogs the shelf space. There is the staple Rata Cola. Rata Wild Raspberry and Rata Cherry are favourites too, not to mention Rata Orange. Just out in a tailor-made glass bottle.

Coca-Cola simply cannot win a foot-hold in the Uzhgorod market. Its colour-coded trucks are nowhere to be seen, nor its fizzy lifestyle advertisements.

Banker cleared over drug money

By William Hall in Zurich

Switzerland's efforts to clamp down on money-laundering suffered a setback yesterday when a former Union Bank of Switzerland official was cleared of laundering money for Colombian drug smugglers.

Mr Josef Oberholzer, 63, once one of UBS's top private bankers dealing with Latin American clients, had been accused of managing a bank account for Colombian drug smugglers for more than 15 years. By the time he was arrested and the money seized in 1994 the account had grown to \$150m. He was suspended by UBS and later took early retirement.

Switzerland, whose bank secrecy laws have often been criticised for protecting drug smugglers, passed a law combatting money laundering in 1990.

However, very few cases have been brought to court and even fewer have resulted in convictions.

The Oberholzer case has attracted a lot of attention. It was the big test of the Swiss money laundering laws, and also involved a senior official of a reputable bank.

The Zurich district court yesterday said it could not prove that Mr Oberholzer had acted intentionally. However, the court ordered him to return SF1.6m (\$1m) he earned from managing the Colombian money.

The court ruled that proceeds of illegal activities could be recovered independently of a decision on whether a defendant's actions were punishable by law.

Mr Daniel Zuberbühler, head of the Federal Banking Commission, said the problem with money laundering cases dating before the passage of the new laws was proving intent. Mr Oberholzer said he had taken over the account. Mr Zuberbühler said the account had been opened when "standards were lower".

Things go better without Coke, says town boss with stranglehold on local market

Only brave local traders risk the mayor's ire by smuggling the "real thing" back from Slovakia next door to sell on the black market.

When Coca-Cola wanted to open a warehouse for Transcarpathia and distribute locally, the mayor refused them the permit. He repeats the argument for protectionism made, often successfully, worldwide.

"Here are our factories, our workers, our taxes! They tell me I stop competition. But, excuse me, you want us to compete freely with those monsters only two years after opening our own factories."

Rata's greenfield factory in Uzhgorod is a rarity in Ukraine. It is clean and well-run. It produces 10m litres a year and claims 10 per cent of the national

market. A new \$2m Italian line was installed this month.

Mr Valery Birman, general manager of Rio-Cola, which makes the 12 Rata soft drink brands, says Coca-Cola would ruin the town.

"We cannot really compete," he says. "In any moment they can kill us by lowering the prices. And they'll do it. Just watch."

Sergei Nikolayevich (Ratyushnyak)

is a patriot of his land. He defends his countrymen's interests and not Coke's," Mr Birman adds.

But Coca-Cola complains that the

mayor got rough. Its lorry drivers were threatened and warned not to drive into Uzhgorod, it says. A Coca-Cola salesman was beaten up last year on a local visit, according to a letter Mr

Barry Blafer, head of external relations for Coca-Cola Amatil, which operates a large bottling plant near Lviv, wrote to the Ukrainian president.

In his letter, Mr Blafer says the mayor told him threats of presidential intervention would not scare him: "I am the boss in my town. I have enough

will and power easily to make life very unpleasant for you."

Coca-Cola is counting on flexing its muscles with the Kiev government,

which depends on US goodwill and investment. Ukraine last month sent

investigators down to Uzhgorod and an anti-monopoly committee is looking into the issue.

"But this situation in Uzhgorod is

very unfortunate," Mr Blafer says, "and somewhat isolated I'd say. I'm

very pleased with the way the national authorities are dealing with the matter."

Mr Ratyushnyak's stranglehold on the drinks market is an example of the personal commercial feuds that have emerged on Ukraine's peripheries, challenging the central authorities and posing a threat to the country's stability.

Mr Ratyushnyak founded Rata Cola

and now controls 36 other local compa-

nies which form the Rio Syndicate. The

Rio brand name hangs above several

bars, virtually all the grocery stores in

town and taxi fleet. Mr Ratyushnyak's wife owns a chain of perfumeries. Elsewhere, local politicians in

Odessa or Luhansk have become deeply

enmeshed in business.

Leaders in Transcarpathia, which

joined Ukraine after the second world war, have made some muted calls for greater autonomy from Kiev, which tussle over who calls the economic shots in the region might yet again.

The paradox may be that Mr Ratyushnyak has won plaudits for his market reforms. With a population c. 110,000, Uzhgorod privatised its state enterprises faster than virtually every other Ukrainian city. The bright new stores in the old town are one result.

The mayor calls himself "pro-business". But, his frustrated local compactors anonymously point out, only when it comes to his own. And any threats of prosecution might ring hollow in Uzhgorod. Mr Ratyushnyak, as mayor, enjoys immunity.

Matthew Kaminsk



Angry Renault workers leave the shell of a car over police barricades outside the Vilvoorde plant yesterday

Plant closure hits Renault hopes for aid from Spain

By Neil Buckley in Brussels

Spain has withdrawn a request for permission to grant state aid to Renault, after Mr Karel Van Miert, EU competition commissioner, threatened to block the aid following the French carmaker's decision to close a Belgian factory with the loss of 3,100 jobs.

The move came as 500 Renault workers took to the streets of Brussels for the second time in a week to protest against the decision to close the plant at Vilvoorde, north of the Belgian capital.

After a week which has seen Belgium's King Albert II make a rare personal intervention to the European Commission over the case, the Belgian and French Catholic churches yesterday

protest to Ghent and other Belgian cities in a fleet of buses.

Workers at Belgium's four other carmakers - Opel, Ford, Volvo and Volkswagen - staged one-hour stoppages in solidarity, as did Renault factories in France and Spain, in what was thought to be the first trans-European industrial action against the French carmaker.

The pro-Communist CGT trade union estimated that about 20,000 French workers had taken action, which had affected "almost all" Renault establishments.

After a week which has seen Belgium's King Albert II make a rare personal intervention to the European Commission over the case, the Belgian and French Catholic churches yesterday

united in condemning Renault's decision. They warned the move "highlighted the human costs of cut-throat competition".

Spain cited "technical reasons" for withdrawing its request for approval to grant Ecu11m (\$12.5m) in state aid to Renault. It is thought the application, part of Renault's total planned investment of Ecu75m in modernising its Valladolid plant, may not be resubmitted for several months.

Mr Van Miert had warned it was absurd for the French carmaker to be seeking aid after announcing it would close its Vilvoorde plant.

Commission officials had warned the aid request would be carefully scrutinised to ensure Renault was not moving production from

Belgium to Spain to take advantage of state subsidies.

It emerged yesterday that

Ecu1m of the Ecu11m was due to come from the EU's European regional development fund - one of the so-called "structural funds" which distribute aid to under-developed regions.

Valladolid is in Spain's Castile-Leon province, which qualifies for aid from the fund.

Mr Louis Schweitzer, Ren-

ault's chairman, yesterday

defended the decision to close the Belgian factory as a trauma which was regrettable, but necessary.

He said that salary costs in Belgium were between 25

and 30 per cent higher than in France.

Man in the News, Page 7

Lex, Page 24

Yeltsin resolute over reforms

By John Thornhill

In Moscow

Russian President Boris Yeltsin last night re-appointed Mr Anatoly Chubais, controversial head of the presidential administration, to a senior ministerial post - signalling his determination to press ahead with economic reform.

Mr Chubais is to become the first deputy prime minister in charge of the economy, giving him powers to push through the programme of pension, tax and housing reforms unveiled by Mr Yeltsin in his state of the nation address on Thursday. A wider government reshuffle is expected within days.

The radical 41-year-old economist, who master-minded the biggest privatisation drive in history and Mr Yeltsin's re-election campaign, is hated by Russia's Communists as much as he is admired by foreign investors.

Earlier in the day Russian opposition leaders warned there would be mass protests against the government if Mr Yeltsin "spat in the face of the people" by appointing Mr Chubais.

Mr Gennady Zyuganov, leader of Russia's Communist party, said the national patriotic bloc would throw its full weight behind a trade union-backed day of action called for March 27 to protest at delayed wages and

privatisation.

It would also refuse to co-operate with the government in parliament.

"If he [Chubais] appears in government, this will not only be a slap in the face of the state Duma and all the citizens of the country who have been robbed during privatisation, but it will also lead to the further criminalisation of power," Mr Zyuganov said yesterday.

Following Mr Yeltsin's address on Thursday, the Russian media suggested he was preparing to unleash "shock therapy", completing the radical economic reforms launched in 1992.

Mr Chubais, widely

admired as an efficient administrator, appears to be trying to form a more broadly based reformist government, offering ministerial portfolios to five members of the liberal Yabloko faction.

But Mr Grigory Yavlinsky, Yabloko's leader, said his party members would refuse to enter government while Mr Victor Chernomyrdin remained prime minister.

The national-patriotic bloc in parliament threatened to hold a vote of no-confidence in the government if Mr Chubais were appointed. If the vote were carried, this would in effect force Mr Yeltsin to choose between dissolving his government or parliament.

Yeltsin has been resolute over the cost of living, pension and tax reform, and has rejected demands for a moratorium on privatisation.

Opposition leaders, however, insist that the president must accept a moratorium on privatisation and a freeze on price increases.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

Mr Chubais' appointment follows a series of political setbacks for the president, including the defeat of his proposal to increase the pension age from 55 to 60.

</div

July 1997

NEWS: INTERNATIONAL

'Crazy red chip' stocks in Shanghai, Guangzhou and now Shenzhen soar

Want to buy a city in China?

By John Riddington in Hong Kong

Want to buy a Chinese city? A few million not very careful users, but plenty of potential.

Yesterday's rousing stockmarket debut for the Shenzhen city government revealed strong international interest in Hong Kong and abroad for China's fast growing urban centres. It follows similar successes for Shanghai and Guangzhou and may point the way for Beijing, Dalian and other "market towns" seeking foreign funds for development.

Shares in Shun Yip, the flagship investment vehicle of the southern boom town, soared to HK\$3.20 (US\$0.4) when trading started, more than double the issue price.

Mr Li Dacheng and Mr Wu Jie,

two of the town's vice-mayors, looked on in satisfaction as the rise continued.

"This should accelerate the trend towards cities seeking listings in Hong Kong," said one of the bankers involved in the deal. Mr Charles Cheung, "red chip" specialist at Jardine Fleming, cited Beijing as the most exciting candidate, suggesting the capital could come to the capital markets later this year. A host of smaller cities are also interested.

So are international investors. The Shun Yip offering was more than 450 times subscribed, a ratio matched by only a handful of listings on the Hong Kong market. The two preceding public offerings by mainland cities have brought similar excitement. Shares in Shanghai Industrial, described by

executives as "the investment window" for the eastern port city, are now trading at about HK\$33, more than four times the offer price when the company was listed last year. Guangzhou Investment has also soared on the stock market.

For investors, the issues provide a means of participating in the rapid economic development of Chinese cities. The municipal authorities retain controlling stakes in their Hong Kong vehicles, injecting assets such as state-owned factories, property or infrastructure projects. Last year, for example, the Shanghai government transferred stakes in one of its automobile components factories and an airport expressway to Shanghai Industrial. Many mainland-backed

businesses pursue a similar strategy, injecting assets into their Hong Kong arms. The particular appeal of municipal companies, however, is their diversity. "You are spreading risk," said one investment banker. "To a large extent you are backing the success of a city."

In the case of Shenzhen, that might seem promising. China's main urban beneficiary of Deng Xiaoping's capitalist reforms, the southern city has seen annual industrial output rise more than a thousand-fold since the late 1970s. Skyscrapers sprout along the skyline.

Quite a few belong to Shun Yip. "We are one of the most important property developers in Shenzhen," said Mr Xu Yang, chairman. He cites completed property projects

equivalent to 400,000 square metres and a land bank of more than half that figure. Among its other businesses, the nascent conglomerate is also the city's second largest taxi operator.

The real draw, though, is contacts. "Shun Yip's close relationship with the municipal people's government will place it in a better position in identifying lucrative investment opportunities," said Mr Xu.

That pitch succeeded. But a note of caution is required. Investors are buying municipal stocks in the hope of future asset injections. This makes them risky, as well as hot, though the market seems unfazed.

As ING Barings said yesterday: "It's a crazy red chip, that's all you need to know."

INTERNATIONAL NEWS DIGEST

Olympics field narrows to five

The 2004 Olympic Games will be held in either Athens, Buenos Aires, Cape Town, Rome or Stockholm, the International Olympic Committee announced yesterday. The cities were chosen to enter the final round of bidding to host the games after the original record field of 11 candidates was cut to five. The eliminated bidders were Istanbul, Lille, Rio de Janeiro, San Juan, Seville and St Petersburg. The winner will be selected on September 5.

Although there had been some doubt over Cape Town's bid because of concerns about the high crime rate in South Africa, the IOC was keen for an African city to reach the final stage - the continent has never hosted the games.

The Olympics have also never been held in South America, which helped boost Buenos Aires' candidacy. Yesterday Mr Juan Antonio Samaranch, IOC president, said geographical balance between those shortlisted was important. "I always thought the best solution was three from Europe, one from the Americas and one from Africa," he said.

Peter Harverson, London

Amnesty for Chechen fighters

Russia's parliament yesterday voted an amnesty for Chechen resistance fighters in a move which clears one of the biggest obstacles preventing an exchange of prisoners of war. It is believed hundreds of Russian soldiers and Chechen fighters are still being held captive months after the war ended and federal forces withdrew from the separatist region in the north Caucasus.

But the Russian parliament refused amnesty to those it defined as "bandits" who had led guerrilla raids on Russian towns. MPs continued to condemn Mr Shamil Basayev, the separatist military commander, who led a hostage-taking raid on Budyenovsk in 1995 and came second in the Chechen presidential elections earlier this year.

John Thornhill, Moscow

German pension plan delay

The Christian Democratic party of German Chancellor Helmut Kohl yesterday unexpectedly deferred a decision on plans to reform the country's pay-as-you-go index-linked pension system to allow debate on a radical alternative outlined by Mr Kurt Biedenkopf, the CDU premier of Saxony. The CDU party leadership decided Mr Biedenkopf should be given a week to produce details of his plan for a relatively low "basic" pension to be supplemented by greater provision of private pensions.

Yesterday's meeting had been widely expected to rubber-stamp proposals from Mr Norbert Blüm, labour minister, that would prop up the existing system by cutting the value of pensions from 70 per cent of earnings to 65 per cent by 2030, while raising contributions and drawing on tax revenues to plug a DM15bn (\$8.7bn) gap in the system's finances.

Peter Norman, Bonn

Liechtenstein shake-up near

Liechtenstein faces its first political shake-up in over half a century as its coalition government seems set to split next week, government officials said yesterday. The tiny Alpine principality, population 31,000 and covering just 160 sq km, has been governed by the same partnership of the Fatherland Union (VU) and Progressive Citizens Party (FBPL) since 1988, when the parties joined to show solidarity against Nazi Germany.

There has been no discernible difference between the two parties. The FBPL has been losing votes since 1978, but the balance was finally tipped in general elections on February 2, when the pro-economy Free List party gained a seat at the expense of the FBPL.

However, tough negotiations lie ahead on many difficult issues, not least the question of the huge subsidies China gives its state-owned industrial enterprises which employ some two-thirds of the urban workforce.

Earlier, in what WTO members described as an important breakthrough, China said it would give foreign companies full trading rights within three years of joining the WTO, ending the requirement to import and export through an authorized Chinese trading house.

Beijing also said it would accept WTO rules on intellectual property protection in full from day one, a move hailed by Washington.

However, tough negotiations lie ahead on many difficult issues, not least the question of the huge subsidies China gives its state-owned industrial enterprises which employ some two-thirds of the urban workforce.

Trade officials also stressed that Beijing's offers on market access, especially for agricultural products and services, remain inadequate.

US and EU negotiators will be meeting their Chinese counterparts over the coming weeks in Beijing, Washington and Brussels ahead of another session of the WTO working party near the end of May.

Peter Norman

Global warming move

The prospects for an international accord to curb greenhouse gas emissions after 2000 brightened slightly yesterday when officials from industrialised countries agreed a text to serve as a basis for negotiations later this year. But Mr Raul Estrada-Oyuela, the Argentine official who chaired a two-week conference in Bonn negotiating changes to the UN climate change convention, warned there were still wide differences over how to cut the risk of global warming.

While declaring there was a "99 per cent probability" that a protocol or other legal instrument setting future cuts in greenhouse gases by developed countries would be agreed in Kyoto, Japan, in December, he also said a great effort of negotiation and compromise would be needed in the months ahead.

Peter Norman

Bulgaria offered \$290m loans

The World Bank is prepared to extend \$290m to Bulgaria if the government speeds privatisation of state factories and banks and eliminates public sector losses, a World Bank official said yesterday. The Bank and the interim cabinet have agreed on a reform and funding programme consisting of three loans linked to accords to be reached with the International Monetary Fund.

The first \$40m would be for imports of essential goods

such as grain, fuel and medical supplies. The second

tranche is a social safety net loan of \$80m. The third, for financial reform and restructuring enterprises, consists of two loans totalling around \$170m.

Zurich, Reuter

Frontrunner I, Sicav

672, Rue de Neudorf, L-2220 Finsel

R.C. Luxembourg No. B 314/2

Notice of Meeting

Shareholders of Frontrunner I, Sicav, are hereby invited to attend the Annual General Meeting, which will be held in English on March 17, 1997 at 10:00 a.m. at the registered office.

Agenda:

1. Submission of the reports of the Board of Directors and of the Authorised Independent Auditor.

2. Approval of the balance sheet and the profit and loss statement as at December 31, 1996.

3. Discharge to the Directors and the Authorised Independent Auditor in respect of the carrying out of their duties during the fiscal year ended December 31, 1996.

4. Election of the Directors and the Authorised Independent Auditor.

5. Miscellaneous.

The shareholders are advised that no quorum for the issue of the agenda is required and that the decisions will be taken at the majority of the shares present or represented at the Meeting.

Each share is entitled to one vote. A shareholder may act at any Meeting by proxy.

Shareholders wishing to attend the meeting are requested to notify Frontrunner Management Company S.A. or their Account Manager in Luxembourg S.A. by March 10, 1997 at the latest.

By order of the Board of Directors.

Frontrunner Management Company S.A.

672, Rue de Neudorf, L-2220 Finsel

Telephone: +352 43 55 73 57

Telex: +352 43 39 49



CELEBRATE EASTER AT THE CHESTER GROSVENOR

\$70.00 per person per night over the Easter period based on two people sharing, inclusive of VAT and full English breakfast.

The Chester Grosvenor, Egerton, Chester CH1 1LT, England
Telephone (01244) 324024 Facsimile (01244) 313246

Netanyahu faces Likud rebellion

By Judy Dempsey in Jerusalem

Mr Benjamin Netanyahu, the Israeli prime minister, is facing a rebellion from his coalition partners after he pushed through the first of three troop pullbacks from some towns and rural areas of the West Bank early yesterday morning.

After a stormy seven-hour meeting of the 17-member cabinet, 10 ministers voted for redeployment but seven voted against, leaving Mr Netanyahu with a fragile coalition and a potential rebellion within his conservative Likud party.

The vote involved transferring 7 per cent of territory from the jointly administered Israeli and Palestinian Area B to Palestinian-controlled Area A. But what provoked the greatest anger among the dissenting ministers was the transfer to Area B of 2 per cent of land from Area C, currently under complete Israeli control and where most of the Jewish settlements are located.

Some of the 15 parliamentary deputies grouped around the rightwing Front

for a Greater Israel, headed by Mr Michael Kleiner, yesterday threatened to "vote against Mr Netanyahu in a no-confidence vote due to be tabled next week. They feel the prime minister has betrayed the settlers as well as Likud's principles, once rooted in the ideology of a Greater Israel.

"I did not see myself as part of the coalition which hands over voluntarily parts of the land of Israel without having been asked to do so," said Mr Moshe Peled of the national Tzomet party, a coalition partner.

Mr Netanyahu, backed by Mr Yitzhak Mordechai, the defence minister, said he had given up "the necessary minimum" to keep the peace process on track, warning his coalition critics to "consider their consequences" if they voted against him.

The cabinet is now divided between the pragmatists and the ideologists, a government official said.

"And sections of Likud are becoming increasingly bitter and frustrated about the erosion of influence over the prime minister and the entire decision-making process.



Netanyahu said he had given up 'necessary minimum' to keep peace process on track

cess. Netanyahu faces a tough time next week."

The government commands 65 seats in the 120-member Knesset. To survive a no-confidence vote the prime minister has to obtain 61 votes. If his coalition departs, he will be left to the opposition Labour party to throw its weight behind

Mr Netanyahu - and the their expectations and they were never consulted.

Mr Arafat, back from a visit to the US, yesterday organised a 3,000-strong protest at Haifa Hama, a site in east Jerusalem earmarked for construction of a Jewish neighbourhood which will cut off the West Bank from Arab districts of the city.

However, tough negotiations lie ahead on many difficult issues, not least the question of the huge subsidies China gives its state-owned industrial enterprises which employ some two-thirds of the urban workforce.

Earlier, in what WTO members described as an important breakthrough, China said it would give foreign companies full trading rights within three years of joining the WTO, ending the requirement to import and export through an authorized Chinese trading house.

Beijing also said it would accept WTO rules on intellectual property protection in full from day one, a move hailed by Washington.

However, tough negotiations lie ahead on many difficult issues, not least the question of the huge subsidies China gives its state-owned industrial enterprises which employ some two-thirds of the urban workforce.

Trade officials also stressed that Beijing's offers on market access, especially for agricultural products and services, remain inadequate.

US and EU negotiators will be meeting their Chinese counterparts over the coming weeks in Beijing, Washington and Brussels ahead of another session of the WTO working party near the end of May.

Peter Norman



Manley: radical shift after election disaster

lars of the economy, particularly the patterns of international trade to encourage south-south links, and sought to restructure Jamaican society by redistributing elusive wealth to close the gap between rich and poor.

He antagonised even the more liberal elements in Washington by developing economic and political links with Cuba, Jamaica's closest neighbour. Yet although his detractors regarded him as a closet communist, Manley's place on the ideological spectrum was closer to that of Julius Nyerere in Tanzania and Kenneth Kaunda in Zambia than to Fidel Castro.

A radical shift in political direction came after Jamaican elections overruled Manley's socialism in 1980 in favour of the more conservative policies of the

PNP. Having put the PNP's hard-left faction to the sword, Manley did an ideological volte-face, concluding that the private sector, not the state, should be "the engine of growth", and that the government should play less of a role in the economy. This was reflected in a comprehensive programme to deregulate the island's economy, including the sale of state enterprises to local and foreign investors, and the dismantling of exchange controls.

Getting the party in the 1980s to accept that this new path was the one which should be pursued was a

The Financial Times plans to publish a Survey on

Danish Banking & Finance

on Wednesday, April 9

For further information please contact
Kathy Saunders (London)
Tel: +44 (0)171 873 4823 or Fax: +44 (0)171 873 3204
Ema Pia (Copenhagen)
Tel: +45 3313 4441 or Fax: +45 3393 5335
or your usual Financial Times representative

FT Survey

NEWS: UK

Quest for multiple television channels speeds up competition with satellite

Cable industry takes first digital steps

By Raymond Snoddy

The cable industry yesterday took its first concrete steps towards launching a digital service with many more television channels and interactive services by appointing General Instrument as its initial supplier of digital equipment.

Orders for digital cable "blackboxes" are expected to follow within the next three or four weeks.

The decision has been made by the UK's three largest cable operators - Tele-

est Communications, Bell Cablemedia, including Videotron, and Nynex CableComms. Together the three account for three-quarters of the UK cable industry.

The cable groups hope to be able to launch a digital service in the final quarter of this year although the initial set-top box orders are expected to be in the tens of thousands rather than the hundreds of thousands.

Cable executives yesterday were pleased that they had managed to get the announcement of their digi-

tal supplier out before British Sky Broadcasting, the satellite television venture.

BskyB said last year that it planned to launch more than 200 channels of digital television in the final quarter of 1997.

The timing was re-emphasised last week by Mr David Chance, deputy managing director of BskyB, who said that a decision on which suppliers would receive orders for set-top box decoders was "imminent". The decision has been "imminent" since before Christmas

yet no announcement has been made.

The cable industry decided it had to move into digital for competitive reasons. It believed it could not be seen to offer 50 channels of television when BskyB was marketing 200 channels.

The cable industry has moved quite quickly to produce a digital system. Mr Derek Lewis, chairman of UK Gold, the satellite and cable channel, was asked in October to try to draw up an industry standard for digital cable.

Next Level Broadcast Networks Group, part of General Instruments, will get the first orders but other manufacturers will be identified and commissioned later in the year.

Mr Stephen Davidson, chief executive of Telewest, and chairman of the Cable Communications Association, said yesterday: "This is a major step towards the delivery of an exciting range of services to our customers that will revolutionise UK television."

A consultant who watches

the industry carefully warned yesterday it would be a difficult task to integrate such things as software and the electronic programme guide which make the digital cable box compatible with digital satellite and digital terrestrial television.

The likelihood is that by the middle of next year three competing digital technologies, cable, satellite and terrestrial, will be competing to deliver multi-channel television and services such as home shopping and home banking to the consumer.

UK NEWS DIGEST

House building starts up 36%

The number of new homes started by house builders during the three months to the end of January was the highest since 1989, according to figures published yesterday by the Department of the Environment.

Mr James Clappison, environment minister, seized on the figures as evidence of "the continuing recovery in the wider housing market, with house prices increasing across the majority of regions".

According to the department, the number of private sector homes started by builders was 36 per cent higher than in the corresponding period a year ago and 4 per cent higher than in the previous three months.

Mr Clappison also welcomed separate figures showing a 1 per cent rise last year in the volume of construction output which provided "further proof of the recovery of the construction industry".

Andrew Taylor
Lex. Page 24

Ministers play down food hygiene row

By James Blitz
and John Kampfner

The government yesterday tried to end the embarrassing confusion over its handling of an allegedly suppressed report into abattoir hygiene, claiming the issue had not triggered a cabinet rift.

In spite of a wave of newspaper reports that Mr Michael Forsyth, the Scottish secretary, had been "incandescent" with rage at the way the issue was handled by fellow ministers, Mr John Major, the prime minister, insisted these claims were "ridiculous".

At the end of a week which has seen renewed humiliation for Mr Douglas Hogg, the agriculture minister, over the issue, Mr Tony Blair, leader of the opposition Labour party, said the affair highlighted a government "in a state of decay, utterly incapable of providing leadership or competence in the administration of the country's affairs".

At his party's Scottish conference in Inverness, Mr Blair spelled out his plans to set up an independent Food Standards Agency if Labour won the election. He announced that Professor Philip James of Aberdeen University would be asked to report on how the agency might be established.

Prof James said the



Labour leader Tony Blair enjoyed a kickabout in Inverness yesterday before addressing his party's Scottish conference

agency would be geared to the needs of consumers rather than producers, suggesting it would be more likely to report to the health department than the agriculture ministry, which is currently in charge of food hygiene. "Industrialists will not be in pole position," he said.

Mr Forsyth was keen to play down reports that he was furious to learn of the existence of the report, which claimed slaughterhouses were breeding grounds for the e-coli organ-

ism, which has killed 20 people in Scotland in the past four months.

He told BBC radio yesterday: "What I am angry about is that there is a rift between Douglas Hogg and I on the handling of this issue."

However, his comments directly contradicted a series of informal briefings to journalists on Thursday night by senior officials close to Mr Forsyth.

Journalists at Westminster were told that the minister thought Mr Hogg's handling

confidence in government assurances has never been lower."

Mr Blair said that Labour's proposed agency would "cover all areas from production to transport to storage, all the way from plough to plate".

He added: "It has to be open and transparent, more cover-ups."

Senior Labour figures said that while the new organisation would have radically increased powers, it would not be modelled on the US Food and Drugs Agency.

of the affair was "cack-handed" and that "the gloves are off for Hogg".

But even as ministers sought to patch up their differences they were still managing to strike discordant notes.

While Mr Forsyth said he would have wanted to see the report, Mr Major was trying to downplay its importance describing it as "low level" with nothing "startlingly original" in it.

Mr Blair said: "Public anxiety about food safety has never been greater. Public

confidence in government assurances has never been lower."

Mr Blair said that Labour's proposed agency would "cover all areas from production to transport to storage, all the way from plough to plate".

Answers to quiz questions from home contestants will be relayed through the modem, and winners will receive prizes.

The equipment will be available in 350 retail outlets throughout the Midlands.

"I see this as the first stage of our national rollout," Mr Andrews said yesterday. The timing of a national launch will depend on results in the Midlands but it could be before Christmas.

Recently, Vencom, an American venture capital group, invested \$10m in the company.

Additional capital of about \$40m would have to be raised for a national launch and its extensive marketing.

Although Two Way TV concentrates on adding value to quiz and sports programmes, the technology could enable home betting on televised sporting events.

Apart from games, the new equipment could be used to transmit a vast amount of data on everything from soap opera plots to sporting statistics.

It could also be used for precisely targeted advertising and marketing research.

More than 500 homes in the Birmingham area have been using the system in a commercial trial for more than a year.

Mr Andrews has been trying to get the Two Way TV concept off the ground since 1994. As a former chairman of a TV rental company, he is very aware of how slowly consumers take up most new technology products. The "inertia" factor is high, he believes.

One advantage of the new system is that the costs are relatively low and the essential information needed to make it work is broadcast with the existing television signal - in much the same way as teletext.

Marjorie Scardino at the Demos conference yesterday

Board 'ignorance' attacked

Ms Marjorie Scardino, the first woman to become chief executive of a FTSE-100 company, said yesterday that boardroom ignorance of the issues concerning women was one reason why many more women would soon follow her footsteps. Ms Scardino, became chief executive of Pearson, the media, information and entertainment group which owns the Financial Times, in January.

She told a conference on Tomorrow's Women, organised by Demos, the think tank: "The people who should be having the keenest interest in what is going on here are probably not going to be here."

They were the 99 men who directed the other FTSE-100 companies, she said. These men were trying to sell products to and recruit talent from a population, half of whom were not male.

Andrew Balcer

Ban on reduced court fees reversed

By John Mason,
Law Courts Correspondent

Lord Mackay of Clashfern, the head of the judiciary in England and Wales, suffered a substantial defeat in the High Court yesterday when two judges ruled he acted unlawfully in culling the right of people on low incomes to pay reduced court fees.

The ruling undermined one element of the government's drive to make the court service self-financing by increasing fees for a wide range of services in the High Court and county courts. Fees rose in January by between 50 per cent and 500 per cent in an attempt to bring in an extra £50m (£81.5m) a year.

The measure declared illegal, which was never put to Parliament, removed the right of people on income support to reductions or exemptions from fees.

The action was brought by Mr John Witham, who claimed he was prevented from issuing a writ against an insurance company because of the new policy.

Giving judgment, Lord Justice Rose said there was nothing to suggest parliament had intended allowing the Lord Chancellor to set fees which totally excluded the poor from gaining access to the courts.

Agreeing, Mr Justice Laws said: "Access to the courts is a constitutional right. It can only be denied by the government if it persuades parliament to pass legislation which specifically permits the executive to turn people away from the court door. That has not been done in this case."

The Lord Chancellor's Department said it would consider the implications of the ruling and whether to mount an appeal.

However, the ruling was widely welcomed by legal bodies including the Bar Council, the Law Society and the Legal Action Group which have all opposed the policy of making the courts self-financing through higher fees.

Harriers keep watch over Iraq

By Bernard Gray on
HMS Illustrious in the Gulf

Royal Navy Sea Harriers yesterday flew combat air patrols over southern Iraq for the first time as part of Operation Southern Watch, enforcing the United Nations no-fly zone protecting marsh Arabs against potential attacks by Saddam Hussein.

Five Harrier F/A2 fighters flew from the aircraft carrier HMS Illustrious, with three escorting Royal Air Force reconnaissance aircraft on a mission over Iraq.

The Harriers will form part of the Southern Watch mission for the next week, as part of the Navy's efforts to

increase its out-of-area capabilities.

Admiral Alan West, who is the commander of the Illustrious carrier battle group, said that the deployment demonstrated how peace-enforcement operations could be mounted even if no land air bases were available.

The Illustrious has taken up station north of Bahrain in the Gulf, partly to patrol the newly formed Permanent Joint Headquarters at Northwood in the UK.

Four of the GR7s have just joined the carrier on a one-month evaluation, designed to check whether the RAF aircraft, which normally support land troops

from land bases, can be used in a similar role from the sea.

GR7 trials will continue in the Indian Ocean with the hope that on future operations a mix of Royal Navy air-to-air fighters and RAF ground attack aircraft will be used for joint missions such as those over Iraq or Bosnia.

The carrier has been given the Iraq mission by the newly formed Permanent Joint Headquarters at Northwood in the UK.

It is part of the Ministry of Defence's move away from the concentration of preparing for a full-scale land war in Europe, towards a rapid response to smaller

regional conflicts around the world.

The Illustrious battle group, comprising 20 ships and at least one nuclear-powered submarine, is on a five and a half month deployment to the Middle East and Asia.

The carrier has been given the Iraq mission by the newly formed Permanent Joint Headquarters at Northwood in the UK.

Some 60 RAF technicians and six pilots have joined the carrier for the one-month aircraft trial.

Lloyd's agent fined for misconduct

By Christopher Adams,
Insurance Correspondent

Sedgwick Oakwood, the largest member's agent at Lloyd's of London, and a subsidiary of international insurance broker Sedgwick, has been punished for professional misconduct with one of the insurance market's biggest fines in years.

The agent, which handles the affairs of 1,000 Names - individuals whose assets traditionally back Lloyd's - was fined £60,000 (\$97,800) and ordered to pay £15,000

costs because some of its Names were underwriting without adequate funds to support their activities.

Seven Names in South Africa were said to be underwriting three years ago with bank guarantees that were to be cancelled.

In a regulatory bulletin issued to the insurance market, Lloyd's said that the members' agent had "failed to use its best endeavours to comply with a direction... that the South African Names should cease underwriting insurance business."

"We feel comfortable we've protected the policyholders and that we acted in the Name's best interests," said Mr Tim Riddell, managing director of Sedgwick Oakwood. "But we did technically breach the rules and

we've been pulled over the coals for it."

Separately, Lloyd's was yesterday considering the outcome of a case in a US appeals court, which ruled that a lower federal court did have jurisdiction over whether Lloyd's had breached US securities laws in its dealings with US Names. The case was originally brought by 600 Names, but many are thought to have settled their differences with the insurance market via its recovery plan completed last September.

It was noted Sedgwick Oakwood had not sought to conceal the circumstances of the offence and that the agent initially put up \$637,000 as security.

The size of the fine is thought to reflect the value to Sedgwick Oakwood of the Names concerned trading forward.

"We feel comfortable we've protected the policyholders and that we acted in the Name's best interests," said Mr Tim Riddell, managing director of Sedgwick Oakwood. "But we did technically breach the rules and

we've been pulled over the coals for it."

Separately, Lloyd's was yesterday considering the outcome of a case in a US appeals court, which ruled that a lower federal court did have jurisdiction over whether Lloyd's had breached US securities laws in its dealings with US Names. The case was originally brought by 600 Names, but many are thought to have settled their differences with the insurance market via its recovery plan completed last September.

It was noted Sedgwick Oakwood had not sought to conceal the circumstances of the offence and that the agent initially put up \$637,000 as security.

The size of the fine is thought to reflect the value to Sedgwick Oakwood of the Names concerned trading forward.

Looking westward for new jobs coming from the east

Recruitment started this week for the first tranche of 6,100 jobs promised by the £1.7bn (£2.7bn) LG electronics project at Newport, Gwent, which is described as the single largest job creation project in the UK.

Jobcentres, the state employment agencies, throughout Wales have posters alerting people to the opportunities at the South Korean group's electronics factory and semiconductor plant.

Construction started a month ago with the ground-breaking ceremony led by Mr John Major, the prime minister. LG Electronics, the subsidiary which will make computer monitors and colour picture tubes, is recruiting first, with phased production due to begin by the end of this year. Its sister company LG Semicon will start operations late in 1998.

The scale of the project is such

that there are concerns about its impact on the regional labour market. South-east Wales is forecast to be one of the UK's fastest growing local economies over the next decade. In the travel to work areas for Newport and Cardiff [the LG site is between the two], unemployment has already fallen to just over 7 per cent.

Although the LG project is broadly welcomed, some local companies fear employees may be poached. Mrs Sharon Linnard, president of Newport & Gwent Chamber of Commerce & Industry, said: "Many of our members with skilled staff, particularly those in related industries, are taking steps to cope with the inevitable pressure on jobs and wages."

"Several of them have taken action to help them deal with the expected skills shortage. They are working on programmes with

Wales responds as South Korean electronics company LG starts search for 6,100 skilled workers

Gwent Training and Enterprise

JYK/col52

COMMODITIES AND AGRICULTURE

Fall in copper stocks spurs price swings

MARKETS REPORT

By Susanna Voyle

The price of copper sawed on the London Metal Exchange yesterday after a surprisingly large draw-down in stocks of the metal.

The exchange announced yesterday morning that stocks had fallen 6,225 tonnes to 206,575.

The price started the day lower - but was pushed up when speculators entered the market. However, as the speculators withdrew, the price fell back.

Prices for three-month delivery fell back to close afternoon "kerb" trading at \$2,300 a tonne - a fall of \$13 from Thursday and down \$55 from a nine-month high of \$2,445 earlier in the day.

Traders stressed that the underlying pressure on prices remained upwards - buyed by the draw-down.

Elsewhere, on the LME sentiment was pulled around by copper's volatility, with aluminium following it most closely. A further heightening of the spot between Trans-World, the UK trading group, and Russia over foreign investment in Russia's domestic aluminium industry did not seem to worry the market. Trans-World wants to invest in Russian smelters - but is concerned about the threat of re-nationalisation.

"It would not buy or sell aluminium on the back of Trans-World and Russia's arguments," said one trader.

"At the end of the day Russia will still produce it." Aluminiump for three-month delivery ended "kerb" was at \$2,022 a barrel.

"On the London International Financial Futures Exchange coffee prices rebounded from lows to close at the day's peak. Robusta coffee for May delivery was down \$1 at \$1,722 a tonne."

WEEKLY PRICE CHANGES

	Latest	Change	Year	1996/97	Low	High
Copper	\$349.05	+\$1.00	\$328.30	\$415.40	\$340.35	\$420.35
Silver	\$22.25p	+\$0.75	\$21.50p	\$38.50	\$27.50	\$40.50
Aluminium 60.7% (tonne)	\$1,945.5	+\$2.5	\$1,920.0	\$1,970.0	\$1,924.5	\$1,974.5
Copper Grade A (tonne)	\$1,985.5	+\$0.5	\$1,970.0	\$2,010.0	\$1,983.5	\$2,013.5
Nickel (tonne)	\$8,800.0	+\$100.0	\$8,700.0	\$9,000.0	\$8,800.0	\$9,000.0
Zinc SGZ (tonne)	\$2,160.0	+\$0.5	\$2,100.0	\$2,220.0	\$2,160.0	\$2,220.0
Tin (tonne)	\$3,870.0	+\$1.5	\$3,615.0	\$5,050.0	\$3,870.0	\$5,050.0
Coffee Futures Mar	\$1,745.0	+\$0.5	\$1,715.0	\$1,775.0	\$1,745.0	\$1,775.0
Coffee Futures Mar	\$1,745.0	+\$0.5	\$1,715.0	\$1,775.0	\$1,745.0	\$1,775.0
Sugar (LDP, Raw)	\$272.00	+\$1.00	\$108.20	\$330.00	\$264.30	\$340.30
Bobby Futures Mar	\$103.00	+\$1.00	\$108.20	\$127.50	\$103.00	\$127.50
Wheat Futures Mar	\$197.00	+\$1.50	\$191.50	\$214.50	\$197.00	\$214.50
Cotton Back A Index	\$1.35	+\$0.05	\$1.20	\$1.50	\$1.35	\$1.50
Wool (Bale Super)	\$195.00	+\$0.50	\$185.00	\$205.00	\$195.00	\$205.00
Oil (Brent Blend)	\$30.01p	+\$0.5	\$17.51	\$52.18	\$30.01p	\$52.18

Per tonne unless otherwise stated. b. Per cent. c. As per.

WORLD BOND PRICES

	Latest	Change	Year	1996/97	Low	High
Gold	\$349.05	+\$1.00	\$328.30	\$415.40	\$340.35	\$420.35
Silver	\$22.25p	+\$0.75	\$21.50p	\$38.50	\$27.50	\$40.50
Aluminium 60.7% (tonne)	\$1,945.5	+\$2.5	\$1,920.0	\$1,970.0	\$1,924.5	\$1,974.5
Copper Grade A (tonne)	\$1,985.5	+\$0.5	\$1,970.0	\$2,010.0	\$1,983.5	\$2,013.5
Nickel (tonne)	\$8,800.0	+\$100.0	\$8,700.0	\$9,000.0	\$8,800.0	\$9,000.0
Zinc SGZ (tonne)	\$2,160.0	+\$0.5	\$2,100.0	\$2,220.0	\$2,160.0	\$2,220.0
Tin (tonne)	\$3,870.0	+\$1.5	\$3,615.0	\$5,050.0	\$3,870.0	\$5,050.0
Coffee Futures Mar	\$1,745.0	+\$0.5	\$1,715.0	\$1,775.0	\$1,745.0	\$1,775.0
Coffee Futures Mar	\$1,745.0	+\$0.5	\$1,715.0	\$1,775.0	\$1,745.0	\$1,775.0
Sugar (LDP, Raw)	\$272.00	+\$1.00	\$108.20	\$330.00	\$264.30	\$340.30
Bobby Futures Mar	\$103.00	+\$1.00	\$108.20	\$127.50	\$103.00	\$127.50
Wheat Futures Mar	\$197.00	+\$1.50	\$191.50	\$214.50	\$197.00	\$214.50
Cotton Back A Index	\$1.35	+\$0.05	\$1.20	\$1.50	\$1.35	\$1.50
Wool (Bale Super)	\$195.00	+\$0.50	\$185.00	\$205.00	\$195.00	\$205.00
Oil (Brent Blend)	\$30.01p	+\$0.5	\$17.51	\$52.18	\$30.01p	\$52.18

	Latest	Change	Year	1996/97	Low	High
Gold	\$349.05	+\$1.00	\$328.30	\$415.40	\$340.35	\$420.35
Silver	\$22.25p	+\$0.75	\$21.50p	\$38.50	\$27.50	\$40.50
Aluminium 60.7% (tonne)	\$1,945.5	+\$2.5	\$1,920.0	\$1,970.0	\$1,924.5	\$1,974.5
Copper Grade A (tonne)	\$1,985.5	+\$0.5	\$1,970.0	\$2,010.0	\$1,983.5	\$2,013.5
Nickel (tonne)	\$8,800.0	+\$100.0	\$8,700.0	\$9,000.0	\$8,800.0	\$9,000.0
Zinc SGZ (tonne)	\$2,160.0	+\$0.5	\$2,100.0	\$2,220.0	\$2,160.0	\$2,220.0
Tin (tonne)	\$3,870.0	+\$1.5	\$3,615.0	\$5,050.0	\$3,870.0	\$5,050.0
Coffee Futures Mar	\$1,745.0	+\$0.5	\$1,715.0	\$1,775.0	\$1,745.0	\$1,775.0
Coffee Futures Mar	\$1,745.0	+\$0.5	\$1,715.0	\$1,775.0	\$1,745.0	\$1,775.0
Sugar (LDP, Raw)	\$272.00	+\$1.00	\$108.20	\$330.00	\$264.30	\$340.30
Bobby Futures Mar	\$103.00	+\$1.00	\$108.20	\$127.50	\$103.00	\$127.50
Wheat Futures Mar	\$197.00	+\$1.50	\$191.50	\$214.50	\$197.00	\$214.50
Cotton Back A Index	\$1.35	+\$0.05	\$1.20	\$1.50	\$1.35	\$1.50
Wool (Bale Super)	\$195.00	+\$0.50	\$185.00	\$205.00	\$195.00	\$205.00
Oil (Brent Blend)	\$30.01p	+\$0.5	\$17.51	\$52.18	\$30.01p	\$52.18

	Latest	Change	Year	1996/97	Low	High
Gold	\$349.05	+\$1.00	\$328.30	\$415.40	\$340.35	\$420.35
Silver	\$22.25p	+\$0.75	\$21.50p	\$38.50	\$27.50	\$40.50
Aluminium 60.7% (tonne)	\$1,945.5	+\$2.5	\$1,920.0	\$1,970.0	\$1,924.5	\$1,974.5
Copper Grade A (tonne)	\$1,985.5	+\$0.5	\$1,970.0	\$2,010.0	\$1,983.5	\$2,013.5
Nickel (tonne)	\$8,800.0	+\$100.0	\$8,700.0	\$9,000.0	\$8,800.0	\$9,000.0
Zinc SGZ (tonne)	\$2,160.0	+\$0.5	\$2,100.0	\$2,220.0	\$2,160.0	\$2,220.0
Tin (tonne)	\$3,870.0	+\$1.5	\$3,615.0	\$5,050.0	\$3,870.0	\$5,050.0
Coffee Futures Mar	\$1,745.0	+\$0.5	\$1,715.0	\$1,775.0	\$1,745.0	\$1,775.0
Coffee Futures Mar	\$1,745.0	+\$0.5	\$1,715.0	\$1,775.0	\$1,745.0	\$1,775.0
Sugar (LDP, Raw)	\$272.00	+\$1.00	\$108.20	\$330.00	\$264.30	\$340.30
Bobby Futures Mar	\$103.00	+\$1.00	\$108.20	\$127.50	\$103.00	\$127.50
Wheat Futures Mar	\$197.00	+\$1.50	\$191.50	\$214.50	\$197.00	\$214.50
Cotton Back A Index	\$1.35	+\$0.05	\$1.20	\$1.50	\$1.35	\$1.50
Wool (Bale Super)	\$195.00	+\$0.50	\$185.00	\$205.00	\$195.00	\$205.00
Oil (Brent Blend)	\$30.01p	+\$0.5	\$17.51	\$52.18	\$30.01p	\$52.18

	Latest	Change	Year	1996/97	Low	High
Gold	\$349.05	+\$1.00	\$328.30	\$415.40	\$340.35	\$420.35
Silver	\$22.25p	+\$0.75	\$21.50p	\$38.50	\$27.50	\$40.50
Aluminium 60.7% (tonne)	\$1,945.5	+\$2.5	\$1,920.0	\$1,970.0	\$1,924.5	\$1,974.5
Copper Grade A (tonne)	\$1,985.5	+\$0.5	\$1,970.0	\$2,010.0	\$1,983.5	\$2,013.5
Nickel (tonne)	\$8,800.0	+\$100.0	\$8,700.0	\$9,000.0	\$8,800.	

COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday March 8 1997

Ageing and markets

If recent polls are any guide to the outcome of Britain's forthcoming general election, the Tories are most unlikely to implement their surprise plan, unveiled this week, to privatise state pensions. Yet by shattering the assumption that the basic state pension is a sacrosanct feature of British welfare they have changed the terms of the debate.

Mr Tony Blair's Labour party, though keen to preserve the basic pension, is also anxious to grant a bigger role in the system to funded private pensions. The interesting question is whether funding will do much to defuse the problems of ageing. The answer to that question holds important clues for the long run trend of equity markets.

When compared with continental Europe, Britain is said to have only a modest fiscal problem arising from the ageing of the population. This is true in the narrow sense that the erosion of the state pension since 1980 has left the country with relatively small unfunded pension liabilities.

Yet at present policy the basic pension would be worth only 7.5 per cent of average earnings by 2040, assuming real earnings growth of 1.5 per cent a year. If British streets are not to be lined with geriatrics in soup queues, this paltry amount will clearly have to be supplemented from some other part of the national budget. The demographic time bomb has simply been pushed under the carpet.

The ageing problem arises when too few workers end up supporting too many dependent old people. Young workers then have to concede more of the value of their output to the old. The risk is that the incentive to produce is diminished. Workers may be tempted to demand inflated wages, thereby delaying the claim of old people on their output. The problem arises regardless of how pensions are financed.

Supported by assets

With pay-as-you-go unfunded pensions, the elderly have a claim on taxpayers' funds. The state can readily default on that obligation. With funded pensions people have a claim which is supported by assets. This helps legitimate the transfer from young to old - but only if workers are not cheated through the impact of inflation on government bonds or by failing equity markets.

The only way the present gen-

eration can, in fact, reduce the burden it imposes on the next is by investing in order to help the next generation produce more. The advantage of funding is said to be that it raises savings rates and thus facilitates higher levels of investment.

This is controversial; and in a world of mobile capital it could also be academic since a shortage of savings can be made good from elsewhere. But in practical terms the argument makes sense. The increasing savings of an ageing population do push up equity prices. The question is whether the resulting fall in the cost of capital encourages companies to invest or the weight of money simply creates a bubble.

Loose talk

The UK economy is of a size where a bubble induced by ageing might be diluted in the wider global equity market. High levels of investment elsewhere in the world economy would help support the value of funded pension claims. But in the US the risk of funded pensions proving inadequate, if increased savings simply produced a boom and bust in prices of existing stocks, would be real. The rest of the world would feel the backwash.

But despite loose talk of demography providing the explanation for the buoyancy of Wall Street, it is not clear that this is so. The household savings ratio in the middle of the decade was at its lowest level since the early 1980s. While it is true that US pension funds increased from 30 per cent of gross domestic product in 1980 to 76 per cent in 1995, this partly reflected a run down of individual equity ownership.

The 1986-88 bull market was largely driven by a change in asset preference from bonds to equities. The bull market that started in 1982 has been driven by a similar shift from low risk bank deposits into higher risk equities. Equities today account for 49 per cent of the mutual fund industry's assets compared with 30 per cent in 1980.

The immediate danger for equities is not so much ageing, as the possibility that investors in mutual funds and private pensions are not aware of the risk posed by a tougher monetary policy, as threatened by Fed chairman Mr Alan Greenspan, or of withdrawal of Japanese money from the US markets. That is why Mr Greenspan talks of irrational exuberance, not irrational greybeards.

The only way the present gen-

When the smile is wiped off

NatWest's £50m losses on options trading highlight the risks in pricing these obscure financial instruments, says John Gapper

On first glance, Mr Kyriacos Papouli, the 30-year-old options trader accused of digging a £50m hole in National Westminster Bank's balance sheet, appears familiar. He was a star trader who established a glowing trading record that turned out to be rather less than it seemed.

Mr Papouli, who traded interest rate derivatives for the investment banking arm of NatWest, now faces not only public disgrace but being banned by City regulators. He has hired as his lawyer Mr Stephen Pollard, who represented Mr Nick Leeson after his arrest for fraudulent trading that brought down Barings in 1995.

Yet Mr Papouli was no fraudster. Not only did he not gain personally from any misvaluation of financial instruments - except the possibility of obtaining a higher bonus - but he did not conceal anything. All the derivatives that he traded were on open view, and their values had been checked, often repeatedly, by risk managers.

The fact that a hole of such size could suddenly open up in NatWest's balance sheet without any instance of deceit or fraud has serious implications. It shows the uncertainties and risks to which every bank in the multi-billion dollar interest rate derivatives market is exposed. It also shows the modern science of pricing derivatives is terribly inaccurate.

For all banks that have put capital into trading in global markets, these are frightening thoughts. These banks - which include not only NatWest and Barclays in the UK, but most of the largest continental European banks - are trying to grow investment banking operations at huge expense. Yet they now struggle to control their highly paid traders.

Mr Papouli was one such trader. He was one of five European interest rate swaps and options traders in NatWest's 66-strong bond derivatives group. The group, managed by Mr Jean-François Nguyen, a 37-year-old Frenchman, has been expanding quickly over five years. It had built up its share of a big global market, offering borrowers and investors ways of hedging risk.

Unlike options traded on exchanges such as Liffe in London, Mr Papouli was trading what are known as over-the-counter (OTC) options. A company that had borrowed money for six years at a floating rate in a European currency might buy a type of option known as a "cap" from Mr Papouli that would limit the amount it had to pay if interest rates rose.

Mr Papouli would sell such an option for a fee, or premium. He would have to charge premium sufficiently high to cover the risk of interest rates rising, and Nat-



West having to pay cash to cover the company's interest rate bill. The only way that the correct price could be calculated was to use a computer, which contained NatWest's own pricing model.

The key difference of option prices is past volatility of the asset on which the option is based - in this case interest rates. The more these have jumped around in the past, the more likely they are to rise in the future. Therefore, Mr Papouli would calculate the right price by feeding into his computer estimates for current interest rate volatility.

When Mr Papouli had made his trade, it would be checked by the bank's "middle office". These are controllers who assess all trades and make sure they are fairly priced. This safeguard should ensure no trader can build up a hidden loss. As long as the value was correctly recorded by the trader and adjusted as necessary, all should have been fine.

Yet however rigorous and scientific an option trading model may appear, the reality is very different. OTC options are not publicly traded, so it is very hard to check their true value. It is like a second-hand car. The only

good trader, but left a large hill. A number of distortions appear to have contributed to the growth in the mis-valuation of NatWest's portfolio.

• Most traders tend to use more sophisticated models than the controllers who check their books. This phenomenon has become known as "model risk" - a risk that traders can use their own computers to justify inflated prices. Mr Papouli's volatility estimates were enough out of line to make a higher profit without arousing alarm.

As a result, traders can claim that even if the price of an option appears to be too high, it reflects the level at which volatility is actually trading in the market. This presents a risk manager with considerable difficulties in challenging a trader's estimate of volatility, even when his own model indicates that the price of an option is wrong.

In practice, NatWest investigators believe that Mr Papouli over-estimated the value of the options he sold and bought for more than a year. Because its controllers failed to correct these valuations as they went along, but accepted his estimates at face value, a mass of unrealised losses built up. This made him appear a

which sets the value of the illiquid swaps and options in a portfolio.

The problem with volatility smile is that it is essentially guesswork. A trader can use it to distort the value of options at will, providing that he or she can come up with convincing reasons for the controllers that the smile is the right shape. Again, Mr Papouli seems to have been able to give NatWest's risk managers to accept that was an excessively cheerful volatility smile.

• The only external agents with whom risk managers can check option prices are options brokers including Tullett & Tokyo, Hawick Butler and Eurobrokers. These brokers often put deals together, and will be able to quote volatility prices for an option. However, brokers have an incentive to justify the price of any of their deals.

Although a deal may be struck at a level at which the buyer has paid too much according to volatility models, any broker is likely to tend towards backing the price as correct if it is queried by a risk manager. NatWest's investigation is focusing on the role of brokers in giving volatility estimates that justified Mr Papouli's stance.

The fact that Mr Papouli was able to work within NatWest's risk procedure - and persuade both his direct superiors such as Mr Neil Dodgson, head of Europe's fixed interest options, and risk managers that his volatility estimates were fair - says little for controls. Mr Dodgson has been suspended and the bank is likely to announce further suspension or resignations next week.

The worrying thought for NatWest is that Mr Papouli could argue he has done nothing wrong. One Swiss bank took a trader to court for allegedly misvaluing an options book by \$80m only to lose. "There is a thin line between optimistic pricing and a simple difference of opinion of what a price should be," says a risk management specialist.

This is not comforting for the banks. The options market has grown rapidly during this decade with the growth slowing only slightly during 1994 and 1995 as a result of a series of high-profile losses at companies that were sold OTC options. Yet the NatWest case illustrates that it is not simply the customers of bank that are running big risks.

The most frightening aspect of the case for many bankers is likely to be its very simplicity. There was no grand deception or hiding of trades in secret accounts. Nor has any collusion between Mr Papouli and other traders been discovered. One of the bank's key traders appears simply to have blinded his managers with science, and a volatility smile.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938, e-mail: letters.editor@ft.com. Published letters are also available on the FT web site, <http://www.ft.com>. Translation may be available for letters written in the main international languages.

Uncloaking the standard call by the left for greater state intervention

From Mr Robert J. Gebhardt.

Sir, Robert Reich states with his usual eloquence the problem of widening income inequality and the threat it poses to America and other societies ("The Menace to Prosperity", March 3). He correctly evokes the implied social compact which in the past served as a tacit basis for much of our economic and legislative decision-making. Mr Reich states: "The underlying moral question... is also a political one."

His hints at answers to the question, however, betray a reversal of priorities: he seems to feel that politics provides the only equitable solution to a moral problem. He carefully

dates the beginning of the breakdown 15 years ago - the start of the Reagan era.

He goes on to enumerate President Clinton's attempts to right the moral and economic wrongs he inherited upon taking office. No elaborate economic analysis is required to discern the increasing interference of a rapacious federal government in private and community life over the last couple of decades. Every perceived social ill has provoked new federal programmes to solve them, along with new taxes and bureaucracies.

It should be no surprise that in this setting, individuals are increasingly motivated by a con-

cern for their own welfare, by a desire to protect their own resources from confiscation by a seemingly arbitrary and all-powerful state. In this struggle, those who begin on top are destined to come out even further ahead.

Mr Reich's column begins as an interesting elucidation of a serious socio-economic dilemma. He then proceeds to wrap the cloak of morality around the standard call by the left for greater state intervention.

Robert J. Gebhardt,
PO Box 11,
CH-6852 Canobbio,
Switzerland

Credit cards will trump cash in euro game

From Mr Howard Snow.

Sir, Mr Selwyn Hodson-Preston (Letters, March 1/2) is clearly right to predict the early demise of euro legal tender as electronic transactions and domestic credit/debit card use becomes the norm.

His reasoning is further substantiated by George

Graham's article ("Card groups see euro opportunities", March 4) and the views of Mr Van de Velde, the European region president of Visa, who speaks of developing "stored-value cards or electronic purses" - ie Visa cash card pre-loaded with money - to be used instead of coins or notes.

Such cards are the future. Questions over the euro's design or the loss of UK legal tender will soon be irrelevant.

Howard Snow,
3 Rue Rabelais,
Paris,
75008,
France

Taxing question: electoral before pensions reform?

From Mr Matthew Nimmo.

Sir, Your leader ("Real debate on pensions", March 6) argues: "The starting point for any pensions reform must be that there is little scope politically for raising taxes." This is far from the case. Two-thirds of voters in the UK's last general election voted

for parties committed to raising taxes. Both Labour and the Conservatives appear to have decided that the electorate will not stomach higher taxes, but the press should avoid perpetuating this myth.

It is only our archaic first-past-the-post electoral system which

Faulty analysis of US social security plan

From Mr Richard Johnson.

Sir, Martin Wolf's analysis of the influential Feldstein and Samwick plan to privatise US social security is a little faulty ("To fund or not to fund", March 4).

Indeed, the crucial question is whether the national capital stock is higher under a funded system than under pay-as-you-go.

But Feldstein and Samwick replace the benefits now promised by social security with equal benefits generated through real saving in equities. Thus there is no argument but that the capital stock is increased, and since the same benefits result, no grounds for suggesting that other savings would be reduced.

Furthermore, the adverse selection problem evident in UK private pensions would not apply to this proposal, under which "private" pensions are mandatory. The natural monopoly in processing accounts details would be exploited by a central authority, thus reducing the administrative cost associated with private pensions.

Given these considerations, retaining pay-as-you-go while encouraging voluntary private pensions may not be so sensible after all.

Richard Johnson,
PhD student,
Harvard University
Economics Department,
Cambridge,
MA 02138, USA

WORLD POLICY GUIDE

World Policy Guide is the only international source of information on new products and policy innovations in the commercial market.

Published monthly, it examines a different class of insurance in each issue, comparing policy wordings and types of cover in the UK and worldwide. The two-year subject programme builds into a complete library of insurance policies, instantly available for easy reference.

World Policy Guide analyses and comments on:

Key market players and how they have performed

Significant policy trends

Special risk factors

Disputed policy wordings - with contributions from top lawyers

For a FREE sample copy, contact:

FT Financial Publishing, Maple House,
149 Tottenham Court Road, London W1P 9LL, UK
Telephone: +44 (0) 171 896 2286
Fax: +44 (0) 171 896 2319



FINANCIAL TIMES
Financial Publishing

Crime

JULY 1997

ed of
it the risks
John Gappé

With his gentle demeanour, thick-rimmed glasses and permanently doleful expression, Mr Louis Schweitzer is an unlikely hatchet man. But in the past eight days, the Renault chairman has seemingly contrived to turn an entire nation and much of the French establishment against him by deciding to close the French carmaker's only Belgian assembly plant with the loss of 3,100 jobs.

The storm now enveloping Mr Schweitzer, 54, was unleashed as much by the apparent clumsiness with which the announcement was handled as the decision itself. Some workers heard that the company was to stop making cars at the company's Vilvoorde factory on the outskirts of Brussels on the radio as they started their evening shift.

The affair has made Mr Schweitzer powerful enemies in a Europe scarred by high unemployment and deteriorating job security. But it also threatens to derail France's hesitant progress towards a more liberal business climate by providing a big temptation for the government to resume its interventionist ways.

It is no secret that the west European car industry has chronic overcapacity — perhaps by as much as 20 per cent of sales. Nor that Renault is in trouble. Mr Schweitzer disclosed several months ago that he was

expecting to report an overall group net loss for 1996. Analysts now expect this to reach about FFr5bn (\$865m).

Moreover, the company has already withdrawn from two European plants in the past five years. One of these was Boulogne Billancourt, a hulking ocean-liner of a factory which still sits rotting on an island in the Seine within metres of Renault's headquarters just outside Paris. This closure in March 1993 of this site — a trade union stronghold in the 1960s and 1970s — was seen by many as symbolic of the company's determination to break with the past.

Yet the insensitive way the Vilvoorde closure has been handled is surprising in a man who is a typical product of the Ecole Nationale d'Administration — the training ground for the élite of the French government service.

Even Mr Jacques Chirac, the French president, let it be known he was "shocked" by the way the closure had been announced. Eventually — after confirmation that Renault also expects this year to cut 2,700 jobs in France, where unemployment is at a post-war record of 12.7 per cent — Mr Juppé summoned Mr Schweitzer to demand he begin consultations with interested parties, including the Belgian government, without delay.

The Renault chairman has promised to do everything in his power to find a buyer for the factory. This would be good news for its Belgian workforce, but do nothing to solve Europe's overcapacity problem. It might also harm Renault in the long run by offering an aggressive new

national politics, as chief of staff to Mr Laurent Fabius, the former Socialist prime minister. During that period, he earned a reputation for diligence and pragmatism while accompanying his boss in his passage through some of the great offices of state.

These years also left an unwelcome legacy, however, in the shape of two high-profile political scandals — one involving the supply of blood contaminated with the HIV virus, the other allegations of political wire-tapping by the Elysée Palace's anti-terrorist unit. One upshot is that, in spite of a reputation for scrupulous honesty, Mr Schweitzer is on the growing list of French business leaders to have been placed under formal judicial investigation.

Of much more concern to the Renault chairman at the moment will be the uproar which last month's botched announcement has caused and the damage it may do to efforts to restructure both Renault and the entire European car industry.

After the announcement, Mr Jean-Luc Dehaene, the Belgian prime minister who

lives in Vilvoorde, rang Mr Alain Juppé, his French counterpart, to express "indignation and stupefaction" to King Albert II of Belgium voiced "serious concern" at a meeting with European Union commissioners. Mr Jacques Santer, European Commission president, called the decision a "grave blow to confidence in Europe".

Even Mr Jacques Chirac, the French president, let it be known he was "shocked" by the way the closure had been announced. Eventually — after confirmation that Renault also expects this year to cut 2,700 jobs in France, where unemployment is at a post-war record of 12.7 per cent — Mr Juppé summoned Mr Schweitzer to demand he begin consultations with interested parties, including the Belgian government, without delay.

The Renault chairman has promised to do everything in his power to find a buyer for the factory. This would be good news for its Belgian workforce, but do nothing to solve Europe's overcapacity problem. It might also harm Renault in the long run by offering an aggressive new

competitor a toe-hold in the European market.

Asked whether finding such a buyer would really be in the company's interest, Mr Schweitzer fixes his interlocutor firmly in the eye. "We took a hard decision that was necessary for Renault. I think it would be indefensible to add to that a ban on hopes for the site and for its people."

However, the task of restructuring has been made much harder both because of the competitive state of the European market and the speed with which some of its rivals have pressed ahead with their own plans.

Distracted by other considerations, such as the collapse in 1993 of its planned merger with Sweden's Volvo, Renault has been left behind. Another restraining factor has been the slowness of the French government in privatising the company — the state reduced its holding below 50 per cent only last year and is still its largest shareholder with a stake of 46 per cent.

The profitability of its core car division has been in steady decline since 1992. Its operating losses last year,

were later this month, are expected to come to FFr5bn.

Restructuring is made no easier by testing market conditions: new car registrations in France are expected to fall 10 per cent this year and prices are under intense pressure. Barring an unexpected upturn, many expect more surgery to be necessary before the company returns to an even keel.

Whether this surgery now takes place may depend on the extent to which Mr Schweitzer, previously faulted by financial analysts for not being tough enough, feels chastened by the sharp reaction to his sudden foray into macho management. If he does, he could be tempted to revert to a gentler approach when the next difficult decision is required.

As for the government, the public backlash may tempt it to resume meddling in the affairs of large French companies. With parliamentary elections exactly a year away and unemployment at the very top of the political agenda, the temptation to restrict Mr Schweitzer's freedom of manoeuvre could hardly be greater.

If Paris succumbs, it would signal that it was edging back towards its old interventionist ways. But if temptation is resisted, as it has been — just about — until now, the Renault episode may yet be a turning point in the way France's long-delayed industrial restructuring is handled.



Man in the News · Louis Schweitzer

An aggressive driver

David Owen on the Renault chairman in the pillory over job losses

Alan Cane warns of the dangers which the millennium bomb poses for computer users

A date with disaster

The "millennium bomb", the inability of many computers to cope with the date change at the end of the century, is already demonstrating an insidious ability to disrupt business.

The experience of Unum Life Insurance, based in Portland, Maine, illustrates the confusion which could become widespread after 2000. The company was puzzled last year when its revenues started to drop, investigators tracked the problem to a computer program which deleted policies which had been dormant for five years or more.

The computer detected dormancy by adding five years to the last date policy had been activated. When the software scanned it came up with 00. Assuming that these policies had last been touched in 1990, the computer dumped them unceremoniously and the company lost more than 500 records.

Some commentators have described the challenge as the most critical ever faced by business and the computer industry. "Unless we act now there will be international chaos," says Mr Ian Taylor, the UK minister for science and technology, who has been in the forefront of a campaign to raise public awareness of the issue.

Of all California's growth industries, few are expanding faster than the incarceration business.

Incidents such as a Hollywood bank raid last week, which left 17 police and civilians wounded and two robbers dead, have led to a popular get-tough mood in the state. Anger was further fired by the revelation that the raiders had served just four plea-bargained months in prison after being caught in 1993 with a carload of weapons, flak jackets and ski-masks.

The Golden State's jail population of 151,000 — exceeding that of the UK and Germany combined — is almost 50 per cent higher than five years ago and about eight times the level of early 1970s. Its recidivism record, which sees 56 per cent of inmates back behind bars within three years of release, far exceeds the US average.

California will not readily surrender its lead. Governor Pete Wilson's latest budget calls for the construction of one jail this year, with planning funds for five more. The California Department of Corrections, which trebled its annual spending to \$3.6bn in 10 years, wants 17 more prisons.

Public opinion was last tested in a 1994 referendum, which overwhelmingly approved statutory 25-year-to-life sentences for three-time offenders, and brought the infamous "three strikes" law to the state.

Mr Peter Greenwood, a director at the Rand Corporation think-tank, sees a paradox. "A majority of citizens seem to believe government is not very good at

such as the ignition — as well as chemical plant control systems, offshore oil installations and power stations.

The effects will be strange and unpredictable. The millennium bomb could, for example, shut off a hospital patient's infusion system because the regular calibration intervals required by such machines are written into the control software. After 2000, a pump might assume that it has not been calibrated for the best part of a century and close itself down for safety.

Defence systems will also be at risk. "Unless action is taken by the Ministry of Defence and the Pentagon, we will inevitably see their entire computer systems shutting down... and there will be chaos," according to Professor Keith Bennett, head of computer science at Durham University, quoted in a new book.

Commercial systems will fare no better and companies that do not tackle the problem run the risk of bankruptcy.

"We are taking this very seriously," says Mr Stewart Officer, asset integrity manager for Shell UK's Aberdeen operations. The company

has identified about 3,000 potential problems on its offshore rigs, of which about 10 per cent could be serious.

Mr Peter de Jager, a Canadian consultant and an acknowledged expert on the bomb, says that 90 per cent of business computer systems will be affected. On the question of embedded processors he says: "We simply have no idea how big the problem is."

Several big companies,

including British Telecom, are warning that they will not do business electronically with companies that cannot demonstrate that they are taking the millennium threat seriously.

The UK and US governments have projects in place to ensure "2000 compliance" — reprogramming computers to recognise four-digit dates — but are worried about the "contamination" of their systems from outside. If a repaired system communicated with one that retained the bomb, for example in an electronic exchange of export credit guarantees, the whole transaction would fail, Mr Taylor warns.

There is not enough time to tackle the issue properly. "Everybody who has examined the problem tells me it is bigger than they expected," says Mr Robin Guenier, head of Taskforce 2000, set up by the UK government to defuse the bomb. "Only people who have not looked at it believe there is no problem."

The proper solution — rewriting the millions of lines of computer code — is probably impossible given the time constraints, says Mr Guenier.

The principal "fix" at present is based on inference. New software is written from which the computer infers that any two digit date between 00 and 50 is probably in the 21st century. The "solution", however, simply puts off a real answer for another few decades.

Ignorance and indifference are delaying action. In mainland Europe only a handful of big companies are tackling the problem, compared with 10 per cent in the UK and about a third in the US.

The full implications of the bomb are taking time to sink in, even among technologists. Mr Gary Easterbrook, operations director of Millennium UK, a company established to tackle the problem, says about 100,000 clocks in Britain take their time from signals transmitted by the National Physical Laboratory.

"While accurate to one part in one thousand million," Mr Easterbrook says, the caesium clock "transmits the year as two digits."

It was only this January that the laboratory began warning its customers that their clocks might have trouble telling the time next century.

Add in multi-country broadcasts by satellite, and he could argue that the £20m sought from the main sponsors to cover the operating budget for the first season was amply justified in terms of media coverage.

It is not turning out quite that As the 1997 season roars into life at the Melbourne circuit in Australia this weekend, Stewart Grand Prix is having to share the limelight to an extent that he could not have predicted.

The decision by Frank Williams, head of Rothmans-Renault, to sack rising world champion Damon Hill is focusing just as much media attention on Hill and Tom Walkinshaw, another canny, tough Scot and head of the TWR engineering group, who signed Hill for the Arrows team he bought last year.

Walkinshaw, another ex-racing driver, has turned TWR from a small Mazda tuning business in the 1970s to a large engineering consultancy and manufacturing group, responsible, among other projects, for developing Vauxhall's new C70 coupe. While Hill and his new team are enduring some teething troubles, Walkinshaw's determination and ability to put Arrows into the front ranks of F1 is not in doubt.

Nor could Stewart have foreseen another diversion: the decision of former world champion Alain Prost to become a team owner through the recent purchase of the Ligier team.

Were the companies that agreed to become Stewart Grand Prix's sponsors of a different complexion, there might have been problems. But most, led by HSBC, the Hong Kong-based banking group that owns Midland Bank, have made clear they are backing the venture for the long term. Five years and \$100m down the road, Stewart hopes the world championship will be the team's Ford's — and theirs.

The enterprise finally rests on the concept of business networking: creating opportunities as the circus moves around the world, for executives of companies to meet

other teams and sponsors echo the synergy argument, insisting that in spite of Formula One's outrageous costs — a leading team swallows nearly £50m a year — it is still a bargain. Ekrem Sani, managing director of rival McLaren team's marketing services division, says: "On our statistical analysis, we believe that the total value to their involvement with the grand prix circuit travels this season.

Ford's involvement is, by contrast, integrated into its core business activities, and is probably unprecedented for a volume carmaker.

Apart from funding development of Stewart's Cosworth-built Zetec-RV10 engine, Ford and its technological resources have been used in the car's engineering and creation. It is also using the project as a "boothouse" for the career development of promising young engineers.

"Creating these new business opportunities is at least as important, and potentially much more important, than direct coverage," Stewart insists. Some other large companies as rigorous in cost-benefit analysis as HSBC appear to agree.

Sanyo, the Japanese electronics group, oil multinational Texaco and several computer and information technology groups have come aboard for the ride.

Ford's involvement is, by contrast, integrated into its core business activities, and is probably unprecedented for a volume carmaker.

Apart from funding development of Stewart's Cosworth-built Zetec-RV10 engine, Ford and its technological resources have been used in the car's engineering and creation. It is also using the project as a "boothouse" for the career development of promising young engineers.

The decision by Frank Williams, head of Rothmans-Renault, to sack rising world champion Damon Hill is focusing just as much media attention on Hill and Tom Walkinshaw, another canny, tough Scot and head of the TWR engineering group, who signed Hill for the Arrows team he bought last year.

Walkinshaw, another ex-racing driver, has turned TWR from a small Mazda tuning business in the 1970s to a large engineering consultancy and manufacturing group, responsible, among other projects, for developing Vauxhall's new C70 coupe. While Hill and his new team are enduring some teething troubles, Walkinshaw's determination and ability to put Arrows into the front ranks of F1 is not in doubt.

Nor could Stewart have foreseen another diversion: the decision of former world champion Alain Prost to become a team owner through the recent purchase of the Ligier team.

Were the companies that agreed to become Stewart Grand Prix's sponsors of a different complexion, there might have been problems. But most, led by HSBC, the Hong Kong-based banking group that owns Midland Bank, have made clear they are backing the venture for the long term. Five years and \$100m down the road, Stewart hopes the world championship will be the team's Ford's — and theirs.

The enterprise finally rests on the concept of business networking: creating opportunities as the circus moves around the world, for executives of companies to meet

other teams and sponsors echo the synergy argument, insisting that in spite of Formula One's outrageous costs — a leading team swallows nearly £50m a year — it is still a bargain. Ekrem Sani, managing director of rival McLaren team's marketing services division, says: "On our statistical analysis, we believe that the total value to their involvement with the grand prix circuit travels this season.

Ford's involvement is, by contrast, integrated into its core business activities, and is probably unprecedented for a volume carmaker.

Apart from funding development of Stewart's Cosworth-built Zetec-RV10 engine, Ford and its technological resources have been used in the car's engineering and creation. It is also using the project as a "boothouse" for the career development of promising young engineers.

The decision by Frank Williams, head of Rothmans-Renault, to sack rising world champion Damon Hill is focusing just as much media attention on Hill and Tom Walkinshaw, another canny, tough Scot and head of the TWR engineering group, who signed Hill for the Arrows team he bought last year.

Walkinshaw, another ex-racing driver, has turned TWR from a small Mazda tuning business in the 1970s to a large engineering consultancy and manufacturing group, responsible, among other projects, for developing Vauxhall's new C70 coupe. While Hill and his new team are enduring some teething troubles, Walkinshaw's determination and ability to put Arrows into the front ranks of F1 is not in doubt.

No, he does not mean \$4m, \$40m or even \$400m. "It is a complicated equation," says Sami. "It is based on the 350m live or deferred viewings of each grand prix: the 450-strong [and still fast growing] audience for the magazine-type programmes devoted to each grand prix radio programmes, and precise measurements of printed media coverage monitored and measured from all around the world."

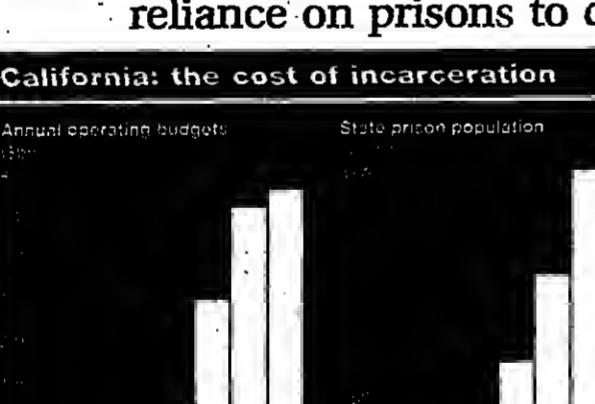
Values are attached to the coverage using a formula that Sami says reflects the relative impact of different media and, crucially, "It does, of course, also include our assessment of the value of business-to-business opportunities created."

Numbers like that make the involvement of HSBC and others look almost low key — even if the numbers

Crime and punishment

Christopher Parkes on the campaign to reduce California's reliance on prisons to deal with rising violence

California: the cost of incarceration



CURRENCIES AND MONEY

Dollar firms

MARKETS REPORT

By Simon Kuper

The dollar rose against the yen but failed to make headway against the D-Mark yesterday despite stronger-than-expected February US payrolls data.

Currency strategists pointed to apparently weak wage pressures in the figures, which suggested that the prospect of a US interest rate rise had not grown.

The dollar closed at Y121.9 against the yen in London. This was just Y0.3 up on Thursday's London close, but Y0.8 higher than it had stood in late Thursday US trading. Asian central banks were seen buying yen.

The dollar was unchanged against the D-Mark at DM1.718. The US currency was held back by better-than-expected German economic data this week, and by remarks yesterday from Mr Ernst Weltak, Bundes-

bank council member, who said: "I would not be happy if the dollar were to go higher at the same pace as in past weeks." He also said the dollar's rally against the D-Mark was now complete.

Sterling fell, as belief grew

that UK base rates are

unlikely to rise fast even

after the general election,

expected on May 1. The

pound was at DM2.747

against the D-Mark in late

US trading, 2.3 pence

below Thursday's London

close. It was trading at \$1.601

against the dollar.

■ There was some good

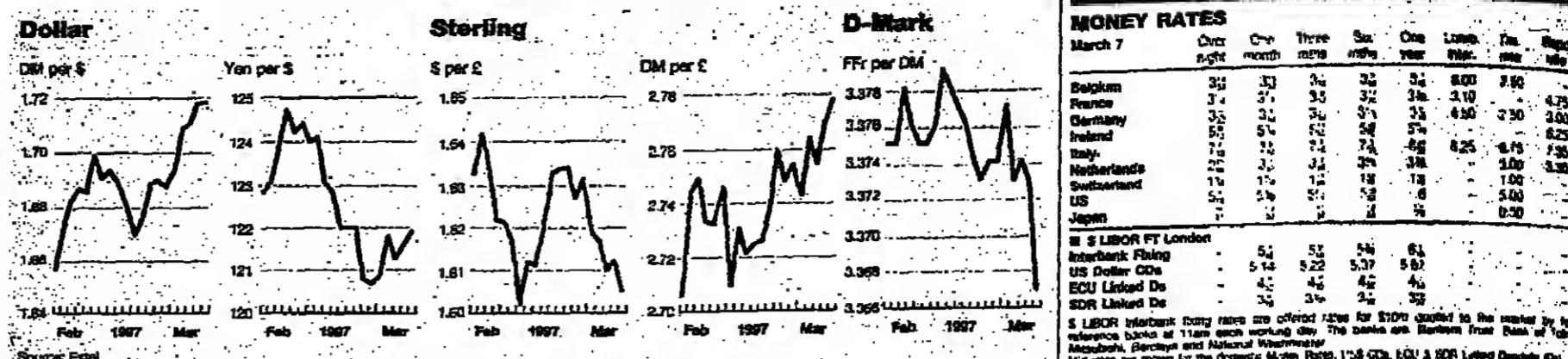
news for sterling yesterday.

Eurostat, the European

Union statistical agency,

said UK consumer price

inflation was about a per-



centage point lower than British data indicate. That implied that real UK yields were even more attractive than was previously thought.

Eurostat, in its harmonised CPI figures for EU members, put UK inflation at just 2.1 per cent. Mr Tony Norfield, currency strategist at ABN-Amro Bank in London, said the figures suggest that the real yield on 10-year gilts is 5.2 per cent, against 3.9 per cent for German 10-year bunds. Real US 10-year

yields were about 4.1 per cent. Mr Norfield said: "The pound's slide yesterday dragged down the Irish punt against the lira. This pleased both the Italian and the Irish central banks."

The Italian currency had fallen to about 12 per cent below its central rate against the punt within the European exchange rate mechanism. With ERM rules stating that most currencies must stay within 15 per cent bands, both the Italian and the Irish central banks have been intervening in the markets to buoy the lira against

the punt. The Bank of Ireland said on Thursday that it spent £600m in January on selling its currency.

Yesterday the lira firmed further, to Ls.647 against the punt. Now the French franc is the weakest ERM currency against the punt. The Bank of France is therefore thought to be intervening in the market. The franc yesterday rose from FFr.3.73 to FFr.3.87 against the D-Mark, and from FFr.9.027 to FFr.9.98 against the punt.

POUND SPOT FORWARD AGAINST THE POUND

	Mar 7	Closing mid-point	Change	Bid/offer	Day's mid	High	Low	One month	Three months	One year	Bank of England
					%/pt	%/pt	%/pt	Rate %pa	Rate %pa	Rate %pa	Eng. Index
Europe	(Spot)	16.415	-0.084	0.009	220	16.177	16.448	16.288	2.7	16.316	2.1
Belgium	(Spot)	56.0788	-0.271	0.12	163	57.0005	56.2280	56.895	2.6	55.4693	3.0
Denmark	(Spot)	10.5518	-0.0519	0.009	173	10.5729	10.4898	10.4898	2.5	10.4461	2.5
Finland	(Spot)	8.2281	-0.0314	0.255	287	8.2730	8.2030	8.2030	2.2	8.2743	2.7
France	(Spot)	9.2980	-0.0274	0.007	013	9.3516	9.2732	9.2732	2.9	9.2802	2.8
Germany	(Spot)	2.7583	-0.0121	0.568	997	2.7743	2.7481	2.7481	2.7	2.7382	3.2
Greece	(Spot)	42.0275	-0.0283	0.480	890	43.4003	41.4821	41.4821	2.8	42.0275	2.8
Iceland	(Spot)	1.2788	-0.018	0.009	173	1.2816	1.2750	1.2750	1.0	1.2816	1.0
Italy	(Spot)	12.7854	-0.189	0.056	272	12.7211	12.7211	12.7211	1.6	12.7457	1.2
Luxembourg	(Spot)	6.46728	-0.275	0.12	963	6.57203	6.57498	6.57498	2.6	6.54988	2.3
Netherlands	(Spot)	3.1063	-0.0126	0.04	077	3.1221	3.0994	3.0994	3.1	3.0982	3.1
Norway	(Spot)	11.1348	-0.0519	0.285	396	11.2598	11.0269	11.1010	2.2	11.0516	2.6
Portugal	(Spot)	276.554	-1.216	0.388	720	278.024	275.769	276.894	-0.6	278.979	0.6
Spain	(Spot)	23.412	-0.034	0.009	234	23.840	23.270	23.544	0.7	23.812	0.7
Sweden	(Spot)	12.3848	-0.035	0.025	562	12.3795	12.3795	12.3795	1.2	12.2879	1.2
Switzerland	(Spot)	2.2887	-0.072	0.174	845	2.3588	2.3771	2.3771	4.5	2.3588	4.7
UK	(Spot)	1.4169	-0.0065	0.00	178	1.4243	1.4243	1.4147	1.9	1.41	1.9
Ecu	(Spot)	-	-	-	-	-	-	-	-	-	-
SOFR	(Spot)	-	-	-	-	-	-	-	-	-	-
Americas	(Spot)	1.0039	-0.0079	0.04	044	1.0157	1.0026	1.0026	-	1.0157	-
Argentina	(Spot)	1.0039	-0.0079	0.04	044	1.0157	1.0026	1.0026	-	1.0157	-
Bolivia	(Spot)	1.0039	-0.0079	0.04	044	1.0157	1.0026	1.0026	-	1.0157	-
Canada	(Spot)	2.1050	-0.0046	0.009	091	2.2045	2.1799	2.1891	3.2	2.1784	2.8
Mexico (New York)	(Spot)	12.8581	-0.0295	0.561	801	12.9765	12.8480	12.8480	2.8	12.8581	2.8
USA	(Spot)	1.6047	-0.0074	0.042	052	1.6100	1.6029	1.6038	0.7	1.6022	0.6
Pacific/Middle East/Africa	(Spot)	5.0319	-0.0182	0.305	326	5.0319	5.0261	5.0261	0.2	5.0319	0.2
Australia	(Spot)	12.4217	-0.0867	0.200	294	12.5127	12.4121	12.4121	0.4	12.4091	0.4
Hong Kong	(Spot)	12.4217	-0.0867	0.200	294	12.5127	12.4121	12.4121	0.4	12.4091	0.4
India	(Spot)	57.0740	-0.073	0.099	751	57.2000	57.1700	57.1700	0.4	57.0750	0.4
Japan	(Spot)	115.895	-0.0224	0.009	155.598	115.895	115.895	115.895	0.4	115.895	0.4
Malaysia	(Spot)	4.9364	-0.0097	0.03	844	5.0096	4.9784	4.9784	5.8	5.0096	5.8
New Zealand	(Spot)	2.2767	-0.0218	0.051	751	2.2865	2.2752	2.2752	1.5	2.2847	1.4
Philippines	(Spot)	42.2398	-0.1918	0.065	862	42.5000	42.1805	42.1805	2.2	42.2398	2.2
Saudi Arabia	(Spot)	6.0184	-0.0274	0.021	606	6.0184	6.0116	6.0116	0.7	6.0184	0.7
Singapore	(Spot)	2.3034	-0.0095	0.001	022	2.3136	2.2978	2.2978	-	2.3034	-
South Africa	(Spot)	13.0528	-0.028	0.005	135.005	13.0528	13.0528	13.0528	0.4	13.0528	0.4
Taiwan	(Spot)	14.4283	-0.128	0.045	1304	14.4400	14.4400	14.4400	4.7	14.4283	4.7
Thailand	(Spot)	41.6500	-0.1256	0.065	931	41.9180	41.9300	41.9300	-	41.6500	-
UK	(Spot)	-	-	-	-	-	-	-	-	-	-
Danish Krone, French Franc, Norwegian Krone, and Swedish Krona	(Spot)	10.54	Belgian Franc, Yen, Escudos, Lira and Peseta	100	100	10.54	10.54	10.54	-	10.54	-

1 Rates for Mar 6. Bid/offer in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted in the market but are implied by current forward rates. ECUs and ECU spot rates are quoted in US currency. £/Y. Morgan nominal indices Mar 6.

1/200 per ECU for Mar 6. Bid/offer in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted in the market but are implied by current forward rates. ECUs and ECU spot rates are quoted in US currency. £/Y. Morgan nominal indices Mar 6.

1/200 per ECU for Mar 6. Bid/offer in the Euro Spot table show only the last three decimal places. Forward rates are not directly quoted in the market but are implied by current forward rates. ECUs and ECU spot rates are quoted in US currency. £/Y. Morgan nominal indices Mar 6.

1/200 per ECU for Mar 6. Bid/offer in the Swiss Franc table show only the last three decimal places. Forward rates are not directly quoted in the market but are implied by current forward rates. ECUs and ECU spot rates are quoted in US currency. £/Y. Morgan nominal indices Mar 6.

1/200 per ECU for Mar 6. Bid/offer in the D-Mark table show only the last three decimal places. Forward rates are not directly quoted in the market but are implied by current forward rates. ECUs and ECU spot rates are quoted in US currency. £/Y. Morgan nominal indices Mar 6.

1/200 per ECU for Mar 6. Bid/offer in the Yen table show only the last three decimal places. Forward rates are not directly quoted in the market but are implied by current forward rates. ECUs and ECU spot rates are quoted in US currency. £/Y. Morgan nominal indices Mar 6.

1/200 per ECU for Mar 6. Bid/offer in the Sterling table show only the last three decimal places. Forward rates are not directly quoted in the market but are implied by current forward rates. ECUs and ECU spot rates are quoted in US currency. £/Y. Morgan nominal indices Mar 6.

UNIT TRUSTS

■ WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

	Schroder Sm Companies
Johnson Fry Small Stocks	1,603
Gartmore UK Smaller Companies	1,404
Meristem UK Smaller Cos	1,361
Perpetual UK Smaller Cos	1,295
HSBC Hong Kong Shares	1,273

BOTTOM FIVE OVER 1 YEAR

Old Mutual Thailand Acc.	-644
Baring Fund	-584
Save & Prosper Korea	-587
FXL Japanese Smaller Cos	-594
Fidelity Japan Smaller Cos	-595

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

TOP FIVE OVER 3 YEARS

	Fidelity Japan Smaller
Hill Samuel US Smaller Cos	1,937
PM North America Growth	1,918
Jupiter European	1,895
Prudential Technology	1,877
Framlington Health	1,821

BOTTOM FIVE OVER 3 YEARS

Save & Prosper Korea	-447
Bovell Japan Strategy	-400
Five Arrows Japan Smaller Cos	-493
Fidelity Japan Smaller Cos	-515
Schroder Seoul	-533

TOP FIVE OVER 5 YEARS

	Mercury Gold & General
HSBC Hong Kong Growth	3,876
Mercury Gold & General	3,527
GT Orient Acc	3,474
Hill Samuel US Emerging Cos	3,408
Jupiter Income	3,372

BOTTOM FIVE OVER 5 YEARS

Friends Prov Japanese Sm Cos	758
Mercury Japan Strategy	778
Barclays Uni Japan Inc	787
Fidelity Japan Smaller Cos	800
M&G Japan & General Acc	837

TOP FIVE OVER 10 YEARS

	Gartmore Hong Kong
HSBC Hong Kong Growth	6,184
Hill Samuel US Smaller Cos	5,902
Friends Prov Australian	5,432
Gartmore Hong Kong	5,336
F&C US Small Companies	5,194

Bottom

Barclays Uni Japan Inc	570
Mercury Japan	710
Waverley Australasian Gold	740
M&G Japan & General Acc	750
Henderson Japan Smaller Cos	794

Source: HSW (01625 511311)

■ Indices

	UK Eq & Bd
Average Unit Price	1,030
Perpetual Income Trust	1,032
Bank	1,032
TSB	1,032
Stockmarket TSE AllShare	1,032

■ UK Growth & Income

	UK Growth
Johnson Fry Smaller Growth	1,609
Jupiter UK Growth	1,582
Credit Suisse Fellowship Inc	1,582
Perpetual UK Exempt	1,583
Savers UK Growth	1,582

■ UK Smaller Companies

	UK Smaller Companies
Gartmore UK Smaller Companies	1,404
Laurence Keen Smaller Cos	1,222
AES Smaller Companies	1,210
INVESTCO UK Smaller Companies	1,253
Schroder Smaller Companies Inc	1,288

■ UK Equity Income

	UK Equity Income
Jupiter Income	1,184
Lizard UK Income	1,126
BWD UK Equity Income	1,104
Britannia High Yield Inc	1,127
River & Mercantile 1st Income	1,132

■ UK Equity & Bond Income

	UK Equity & Bond Income
Prolific Extra Income	1,074
Cazenove UK Equity & Bond	1,072
CIS UK Income	1,080
Cler Med Retirement Income Inc	1,070
CU PPT High Yield	1,123

■ UK Equity & Bond Income

	UK Equity & Bond Income
Prolico Extra Income	1,074
Cazenove UK Equity & Bond	1,072
CIS UK Income	1,080
Cler Med Retirement Income Inc	1,070
CU PPT High Yield	1,123

■ UK Equity & Bond Income

	UK Equity & Bond Income
Prolico Extra Income	1,074
Cazenove UK Equity & Bond	1,072
CIS UK Income	1,080
Cler Med Retirement Income Inc	1,070
CU PPT High Yield	1,123

■ UK Equity & Bond Income

	UK Equity & Bond Income
Prolico Extra Income	1,074
Cazenove UK Equity & Bond	1,072
CIS UK Income	1,080
Cler Med Retirement Income Inc	1,070
CU PPT High Yield	1,123

■ UK Capital Growth

	UK Capital Growth
Kleinwort 2nd Endowment Policy	1,248
Kleinwort Endowment Policy	1,151
Ivy & Sims ISIS	1,346
Welsh Industrial	1,214
Broadgate	1,123

■ Small Companies

	Small Companies
INVESTCO English & Int'l	1,260

Authorised Unit Trusts

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Unit Trusts
Dollars
Pounds
Yen

ABM AMRO Pensions Ltd (1200PF)
27-41 Bedford Row, London WC1R 5JN 071-813 2524

UK Growth 6 100.00 100.00 100.00

International 6 100.00 100.00 100.00

Equity Income 6 100.00 100.00 100.00

High Income 6 100.00 100.00 100.00

For All Investors 6 100.00 100.00 100.00

AIA Equity & Lower Risk Unit Trusts (1200PF)

Stable & Low Risk, Coss, D, O'Leary

Global Fund 6 100.00 100.00 100.00

Equity Fund 6 100.00 100.00 100.00

Equity Income Fund 6 100.00 100.00 100.00

High Income Fund 6 100.00 100.00 100.00

Other Fund 6

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Equitable Life Assurance Society - Contd.																
Pensions Funds																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund																
Equitable Fund</td																

Insurances, Money Markets and Other

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

FT MANAGED FUNDS SERVICE

FT MANAGED FUNDS SERVICE

Offshore Funds and Insurances

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 573 4378 for more details.

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OTHER OFFSHORE FUNDS

LONDON SHARE SERVICE

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

clears
hurdle
as data

	-/-	High	Low	Yld	P/E		-/-	High	Low	Yld	P/E		-/-	High	Low	Yld	P/E		-/-	High	Low	Yld	P/E	
NORTH AMERICA																								
United States (Mar 7/1997)	+0.00	2720.0	2680.0	19.418	38.949		+0.00	2720.0	2680.0	19.418	38.949		+0.00	2720.0	2680.0	19.418	38.949		+0.00	2720.0	2680.0	19.418	38.949	
(Ex clus)																								
AT&T	+0.00	152.00	148.00	1.500	12.000		+0.00	152.00	148.00	1.500	12.000		+0.00	152.00	148.00	1.500	12.000		+0.00	152.00	148.00	1.500	12.000	
American Int'l	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
AT&T Long Distance	+0.00	152.00	148.00	1.500	12.000		+0.00	152.00	148.00	1.500	12.000		+0.00	152.00	148.00	1.500	12.000		+0.00	152.00	148.00	1.500	12.000	
AT&T Mobility	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
AT&T Wireless	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
AT&T WorldNet	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Bell Atlantic	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Bell South	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Charter Comm	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Cigna	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Comcast	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Concordia	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Deutsche Telekom	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Dish Network	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Edison	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Equifax	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Fidelity	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
First Call	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
First Data	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Firstar	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Firstnet	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Frederickson	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
Gannett	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
General Dynamics	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
General Mills	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
General Motors	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
General Telephone	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
General Tire	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
General Telephone	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.00	0.000	10.00	
General Telephone	+0.00	12.00	11.00	0.000	10.00		+0.00	12.00	11.0															

Dow clears 7,000 hurdle on jobs data

AMERICAS

UAL, parent of United Airlines, was up 3.7% at \$67.45; AMR, the parent company of American Airlines, was up 3.1% at \$34; and Delta Air Lines was 3% higher at \$34.45.

ITT, facing a hostile bid from Hilton Hotels, rose 3% to \$38.45 after its announcement the previous night that it was selling its stake in Madison Square Garden for \$650m. But Hilton Hotels gained more, rising 1% to \$26.45.

Elsewhere, Boeing improved 5.1% at \$105.05 after winning a \$32m order, and Zions Bancorp stood 3% higher at \$124.24 after announcing that it had bought bank branches with assets of about \$550m from Wells Fargo.

TORONTO forged ahead in the wake of Wall Street's early gains, helped by further steady buying of leading financials. At the noon calculation, the 300 composite index had gained 43.47 to 6,268.20.

The employment report initially gave the bond market a shock when the headline figure for the increase in February employment turned out to be much bigger than expected. But closer examination showed that many of the extra jobs were concentrated in construction, and that wage gains were relatively small.

The bond markets breathed a sigh of relief, and when the stock markets opened, share prices followed Treasuries upwards, bouncing back from a week coloured by losses.

Airline stocks were prominent among the gainers on reports that the big carriers were seeking to pass on the cost of a 10 per cent ticket tax that has been reimposed by the federal government.

Upgrade for Mexico City

The underperformance of Mexico City in dollar terms so far this year, together with a perceived short-term peak in the widening of Mexican fixed income spreads over US Treasuries and a revised Mexican peso forecast, brought the market an upgraded recommendation from Tim Love at ING Barings. Mr Love downgraded Venezuela; on its lower estimated returns in dollar terms, relative to

those expected from Argentina, Brazil and Mexico.

CARACAS added to Thursday's strong results but the government might not grant CANTV, the blue chip telecommunications company, a telephone rate increase for the second quarter. At mid-session, the IBC index was 93.98 or 1.5 per cent lower at 6,245.52 on profit-taking; but CANTV was steady at 2,000 bolivars.

Retailers shine as bourses hit new highs

EUROPE

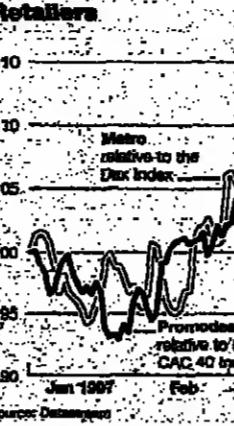
Seven more bourses scored all-time highs, and some retailers had a very good day. In FRANKFURT, Karstadt and Metro, undistinguished performers in the early weeks of this year, took their more recent relative strength a notch further with gains of 7.1 and 6.7 per cent respectively.

Karstadt rose DM41.85 to DM629.95, for an aggregate gain of 17.3 per cent in the six trading days since a magazine report said that major shareholders in Germany's biggest department stores group were in favour of a change in management.

Analysts said there was hope, too, that consumption in Germany was finally picking up. Some observers hit on a 2.5 per cent gain in January wholesale sales, linking that with the cash and carry operations which Metro, up DM12.25 at DM164.50, brought to its merger last year with Kaufhof, the department stores group, and Asko, the out-of-town retail specialist. However,

the breakdown of the wholesale figures included a 1 per cent decline in consumer and durable goods, compared with a 5 per cent gain for food, beverages and tobacco,

Retailers



Promodex relative to the Dax Index

Source: Bloomberg

further said that several large foreign orders had been reported for the stock.

PARIS clawed back initial losses to lift the CAC 40 to its fourth record high in a row. Oil stocks were strong but a near 7 per cent advance for Promodex was the main feature.

Promodex rose FF119 to FF1,889 after turning in profits 10 per cent above the market's consensus estimate. A number of brokers upgraded earnings forecasts for 1997.

The shares were also lifted by a renewed outbreak of merger speculation. Most food retailing analysts suspected that the next piece of sector restructuring would involve Promodex. Casino fell FF15.70 to FF270.30 and Pinautre Imprimeurs FF35 to FF2,350.

Total advanced FF118 to FF488 and Elf Aquitaine FF9 to FF756. Accor gained FF30 to FF235 in active trade after Morgan Stanley added the hotels group to its "fresh money buy" list.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65; Ms Barbara Altman at B Metzler in Frank-

furt said that several large foreign orders had been reported for the stock.

Meanwhile, the Dax index started with a consolidation, falling to 3,363.86 at one point in the day, but once the US jobs data had been digested equities began to gallop yet again and the key index made an emphatic break through the 3,400 level, closing 2.98 higher at 3,419.51.

Turnover was less frenetic, falling from DM19.760 to DM14.1bn. Other big winners included Merck, the pharmaceuticals combine, up DM3.85 or 8 per cent at DM67.65;

COMPANIES AND FINANCE

Appeal process under way as engineer restates annual results after Meineke damages award

GKN makes £270m provision for lawsuit

By Tim Burt

GKN, the UK engineering group, has announced a £21m (£440m) provision to cover the costs of a lawsuit in the US.

The company was yesterday forced to adjust its full-year results – announced earlier this week – after the US district court in Charlotte, North Carolina, awarded \$591m (£263m) in damages and \$10m in interest against it.

The full year dividend of 26.5p (24p) is unaffected.

Lonrho gets fourth boss in 12 years

By Tim Burt

Lonrho, the industrial conglomerate, yesterday appointed its fourth chairman in 12 years by inviting Sir John Craven, chairman of investment bank Deutsche Morgan Grenfell, to oversee the demerger of its African trading arm and the sale of several non-core businesses.

Sir John, 59, will later this month succeed Sir John Leahy, the former UK ambassador to South Africa. He has chaired Lonrho through a stormy three-year period marked by the departure of Mr Tiny Rowland, Lonrho's legendary founder, and culminating this month with the resignation of former chief executive Mr Dieter Bock from the board.

Most industry analysts welcomed Sir John's appointment, describing him as a "safe pair of hands" to take the company forward. That view was shared by Mr Nick Morrell, Lonrho chief executive, who said: "Sir John will bring a wealth of experience from the City and tremendous international contacts, particularly in South Africa."

Sir John, a former vice-chairman of SG Warburg, was widely credited with engineering the 1989 acquisition of Morgan Grenfell by Deutsche Bank.

He yesterday said his non-executive responsibilities at Lonrho would involve supporting the operational management and "playing a key role in major strategic decisions".

Those decisions are thought to include plans to sell non-core businesses such as Cramlington Textiles, the group's UK sheet and duvet manufacturer, and Sunley Turriff Holdings, its lossmaking construction business.

Lonrho is also considering the best method for demerging its African trading arm. That would leave behind its core platinum, gold and coal mining interests.

Nick Morrell is in the process of re-examining that whole strategy and I am keen to help, if I can," said Sir John.

Nevertheless, he indicated that there was unlikely to be any change from the broad demerger proposals, which include plans to sell Lonrho's Princess Hotels chain.

Sir John also suggested that his arrival would help bury Lonrho's former reputation, for fiery boardroom encounters.

The case centres on claims that GKN defrauded 2,500 franchisees of Meineke Discount Mufflers, its US exhaust subsidiary, by diverting payments intended for advertising campaigns.

After taking account of the new provision, GKN's pre-tax profits for 1996 fell from the previously announced £282.5m to £22.8m – a drop of more than 70 per cent on the £22.4m achieved in 1995.

The market was further encouraged by GKN's decision to appeal against the award. And even if that failed, the company pointed out that it could use its £252m cash reserves to absorb any damages.

Lawyers acting for the franchisees said they would be asking the court next week to invalidate the releases, making GKN liable for the full \$60m.

Mr Wayne Mack, of US law firm Duane, Morris & Heckscher, said the releases should be thrown out

because the jury had already decided Meineke had breached its fiduciary duty in its handling of the contested payments. He vowed to seek an increased pay-out of \$740m, based on trebling the \$197m compensatory damages and \$160m punitive damages.

Lawyers for the franchisees said they would take that claim to the US Court of Appeal if it was dismissed by the district court. A final judgment is likely to be

delayed by weeks of legal argument, even before both sides begin the appeals process. GKN said yesterday that the appeal could take about 18 months to resolve.

Nevertheless, several analysts expressed relief at yesterday's developments. Mr Robert Speed, research director at Henderson Crosthwaite, said: "It is a huge blot on GKN's otherwise exemplary record and could have proved a devastating blow to lesser companies."

NEWS DIGEST

Littlewoods and Sears deal falls

N Brown, the UK's sixth largest mail order house, looks set to snap up the number three home shopping group, Freemans, following the collapse of a proposed £300m (£65.7m) deal between Sears, its owner, and Littlewoods, the UK's largest private retailer.

If successful, a new deal would propel N Brown into the number three spot with about 14 per cent of the market, after Great Universal Stores with 30 per cent and Littlewoods with 18 per cent, and more than treble its turnover to about £750m.

Littlewoods, whose ambitions to become equal first were put on hold when the bid was referred to the Monopolies and Mergers Commission last month, said yesterday it had "become clear that Sears is actively engaged in discussions with other parties". The company is understood to have been angered when it discovered this week that Sears was in advanced discussions with N Brown, as it had said at the time of the referral it was committed to the transaction with Littlewoods.

Mr James Ross, Littlewoods chairman, said failure to buy Freemans would not alter the group's strategy. It put its 135 high street stores up for sale this week to focus on home shopping and its pools business.

However, Sears shareholders are thought to have been disappointed by the MMC referral, which forced the company to delay plans to return £410m to investors. Mr Liam Strong, Sears' chief executive, said a number of approaches, made after the referral, were being reviewed. Although these are thought to include original bidder Otto Versand, the German mail order company which owns Gratton, the UK's fourth largest home shopping group, N Brown is believed to be the favourite. Net of tax payments Sears is expected to get about £36m.

Peggy Hollinger

Hawtin warns on first half

Shares in Hawtin, the UK sports and leisure group, dropped 6p to 40p yesterday after the company warned that profit in the first half would be affected by lower sales from Barclay Leisure because of the termination of its US distribution agreement.

The company's broker, Kleinwort Benson cut its pre-tax profits forecast for the year to September 30 to £3.5m (£5.7m), of which £250,000 would be made in the first half. This compares with pre-tax profits for 1995-96 of £5.31m including a £1.3m exceptional gain on disposals. The reduced forecast gives earnings per share of 3.2p putting the company on a forward p/e of 12.5 times.

Mr Phillip Dovey, chief executive, said the results would be dented by the cost of setting up new distribution arrangements and by three months of lost sales while a new system was put in place. However, he said the division had sales of £200,000 (£122,669) in January and £475,000 in February, broadly in line with last year. Barclay Leisure contributes about 10 per cent of Hawtin's turnover, which last year was £56m.

Roger Taylor

WT Foods raising £7.65m

WT Foods is proposing a placing and open offer to raise £7.65m (£12.5m) to add oriental spice to its ethnic products range with the acquisition of Chaddha International Foods for £6m. The placing of 26.8m new shares at 30p, underwritten by Bell Lawrie White, is subject to clawback by way of a 1-for-2 open offer.

Ex-BZW boss to hone Axa

By Jonathan Guthrie

Mr Donald Brydon, one of the UK's highest-profile investment managers, is to take on the newly created post of head of European asset management at Axa Group of France.

The insurance group, the second largest in the world, has hired him as part of a push to become a leading global investment business.

Last September Mr Brydon was co-opted as deputy chief executive of BZW, the investment banking arm of Barclays. He left just two days after the new chief executive, Mr Bill Harrison, recruited from Robert Fleming, took control.

He will join Axa on April 23 as chief executive of Axa Asset Management Europe, and a member of its 17-person executive committee.

He has a huge asset base to work with – £71.123bn (£121bn) of a worldwide total of £72.295bn. At present it is run by specialist departments at a range of subsidiaries, including Sun Life in the UK and Colonial in Germany.

Those decisions are thought to include plans to sell non-core businesses such as Cramlington Textiles, the group's UK sheet and duvet manufacturer, and Sunley Turriff Holdings, its lossmaking construction business.

Donald Brydon is credited with transforming BZW's investment management arm



Donald Brydon: credited with transforming BZW's investment management arm

achieved largely through the introduction of a passive investment management service, one of the first in the UK. This means client portfolios have the same weightings as the indices, whose returns they aim to duplicate.

Funds under management soared in 1995 when Barclays bought Wells Fargo Nikko, of the US, merging it with its investment manage-

ment arm to create Barclays Global Investors.

As a board member of the London Stock Exchange, Mr Brydon campaigned against moves towards order-based trading which, it was argued, would damage the position of big marketmakers such as BZW. The confrontation resulted in the dismissal of Mr Michael Lawrence as head of the exchange last year.

WEEKEND BUSINESS

BUSINESSES FOR SALE

HELLENIC REPUBLIC SOCIAL SECURITY FOUNDATION (I.K.A.) LAVRION BRANCH Reg. No. 873/18-2-97

SUMMARY OF COMPULSORY DISTRAINT ON CHATTELS REPORT Under No. 5124/1996 submitted by Process Server Michael Spyropoulos, as amended by the Athens Administrative Court of First Instance via Judgment No. 953/1996.

Notice is hereby given that via the Distraint on Chattle Report under No. 8124/20.6.1996 by Michael Spyropoulos, Process Server at the Athens Administrative Court of First Instance, a Compulsory Distraint on the Debtor's "Greek Resorts SA" (Ellinika Therapia A.E.) Chatsels was levied, the Debtor's registered office being at Lavrio and legally represented. The Distraint being levied and the Prosecuting Party being the Social Security Foundation Revenue Office (Lavrio Branch) in execution of the 6/13.6.96 Sequestration Order issued by Mr. Dimitris Tsiamas, Head of Fund, to satisfy the Fund's (Lavrio Branch) claim for the Defendant's social security contributions due to the Plaintiff.

Funds under management soared in 1995 when Barclays bought Wells Fargo Nikko, of the US, merging it with its investment management arm to create Barclays Global Investors.

As a board member of the London Stock Exchange, Mr Brydon campaigned against moves towards order-based trading which, it was argued, would damage the position of big marketmakers such as BZW. The confrontation resulted in the dismissal of Mr Michael Lawrence as head of the exchange last year.

CALL FOR EXPRESSION OF INTEREST IN PURCHASING THE ASSETS OF "VOLOS COTTON MANUFACTURING CO S.A."

ETINIKI KEPHALOUI SA, A Division of Assets and Liabilities of 20 Chrysopanthes St, Athens 10550, Greece, in its capacity as Liquidator of "VOLOS COTTON MANUFACTURING CO SA", presently under special liquidation according to the provisions of Article 46a of Law 1892/1990, by virtue of Decision 1067/1997 of the Larisa Court of Appeal invites interested parties to submit within twenty (20) days from the publication of this call, non-blanked written expressions of interest for the purchase of the assets mentioned below, in the name of a single entity.

The Company was established in 1963 and its operation until January 1994. On 18.12.1997 it was placed under special liquidation according to the provisions of Article 46a of Law 1892/1990. Its activities included the production and marketing of ginned cotton, cotton yarns and cotton wastes.

ASSETS OFFERED FOR SALE These include an industrial plant in Nea Ionia, Volos, Greece, located in an area of 103,300 sqm approximately. The surface of the buildings amounts to approx. 52,000 sqm. The plant's maximum capacity of the following cotton spinning units:

a. A 15466 bobbins spinning unit with a capacity of 15000 KG of NEB 30 years per 24 hours.

b. A 32544 bobbins spinning unit with a capacity of 15000 KG of NEB 30 years per 24 hours.

c. A 45364 bobbins spinning unit with a capacity of 15000 KG of NEB 31 years per 24 hours.

d. An OPEN END (O.E.) 672 turbines unit with a capacity of 1600 KG of NEB 30 years per 24 hours.

In addition, the Company's registered name, trademark, receivables and any other assets are also being offered for sale.

SALE PROCEDURE

The Company's assets will be sold by way of Public Auction in accordance with the provisions of Article 46a of Law 1892/1990, (as supplemented by art. 14 of L.2000/1991) and subsequently by sealed bids and sealed call for tenders for the sale of the above assets, in the Greek and foreign press, in accordance with the above provisions, or by the Company's representative Mr. Aristeidis Tsialas, 139 Antonopoulou Street Volos Tel. +30-21-38221 Fax: +30-21-23373.

HOME & OFFICE SOFTWARE

TECHNICAL ANALYSIS

SOFTWARE from INDEXIA

REAL-TIME & END-OF-DAY

Three powerful Real-Time & End-of-Day Technical Analysis systems to choose from:

• **Real-Time Option**: For Market-Eye, Reuters, DBC Signal, BIS, CFEPAK & Syntel.

• **End-of-day using a variety of OCHL data feeds** - BIS, CFEPAK, StockData.

INDEXIA Research, 121 High Street, Hemel Hempstead HP4 2JZ.

Tel: 01442 876015 Fax: 01442 876034 Email: info@indexia.com

COST-EFFECTIVE FINANCIAL ADD-INS

INTERMARK SOLUTIONS

A division of FMS Limited offers advanced financial calculators and analytical tools covering Options, Equities, Yield, Zero-Curve and Swaps. Easily incorporated into your own spreadsheets, or purchase our source code for in-house development.

Many sample applications covering commodities, bonds, currencies, equities, futures and more. Order now and receive a copy of *International Financial Markets* by J. Orrin Grable.

We will match any price for a similar product.

Tel: +44 (0) 171 500 8033 Fax: +44 (0) 171 500 4102 Email: info@fmsltd.com Web: www.fmsltd.com

UNIVERSAL MBRM ADD-INS

LAUNCH OF VERSION 7.4

"Portfolio Sensitivity Analysis" "Forward-Exposure and Future-Pricing" "Swing"

MBRM provides advanced derivatives calculations, source code, consultancy and risk management training.

Financial Systems Software (FSS Ltd)

Established 1983 - 10,000 users globally

Watford Court, Tangermoor Street

London EC1N 2AT

Tel: +44 171 628 2007 Fax: +44 171 628 2008

E-mail: info@fmbm.com

Visit our web site: www.fmbm.com

and download a FREE 30 DAY TRIAL

Version Add-in

FINALLY: REAL-TIME DATA YOU CAN AFFORD, STOCKS, CURRENCIES, BONDS, DERIVATIVES AND NEWS

Tentora provides global real-time financial data direct to your PC at the lowest possible cost. Our Windows platform facilitates seamless interfacing with other Windows applications.

Available across Europe

Find us at www.tentora.co.uk

Call Tentora on +44 (0) 171 405 4541

FRANCHISING

SUB

Sandwiches and Salads

The World's #1 Sandwich Franchise*

</

COMPANIES AND FINANCE

Headhunter saddles up for takeover hurdle

Jane Martinson on the background to the £346m acquisition of Michael Page by Interim, the US recruitment agency

Terry Benson, who is set to gain £5.5m from the week's agreed takeover of his recruitment company, made an inauspicious start to his career as a headhunter.

He placed what he believed to be a chartered accountant with a leading construction company only to find that the man was unqualified. "I couldn't believe it," Mr Benson says of the incident 18 years ago. "I thought 'What a great line of business - full of cheats and liars'."

He had been tempted into the business at an interview with the fledgling Michael Page recruitment agency for his sixth account job in seven years. The consultant pointed out that Mr Benson, who had failed to gain any professional qualifications, seemed better at getting different jobs than at "trying to be an accountant".

The "failed accountant" joined Michael Page as a recruitment consultant. He succeeded Mr Michael Page, the founder, as chief executive three years ago, after setting up the marketing and sales division and working overseas.

Mr Benson, a chain-smoking 45-year-old, is set to earn most of the £5.5m from share options accrued from the group's improved performance over the past few years. Some of these windings will be spent on his greatest passion - horse racing. His first horse, Kissar, won the Cheltenham Triumph Hurdle two years ago.

While Mr Benson puts his success down to working "horrendously" hard, Mich-

ael Page's profits improvement and takeover have not been unique.

The £346m deal with Interim Services announced on Monday is simply the latest sign of increased corporate activity in the sector both from bids and new issues. Last year Adia of Switzerland and Ecco of France merged to become Adecco, Europe's largest temporary employment concern. And Whitehead Mann, which issued its pathfinder prospectus this week, is the

fourth recruitment business to be floated in the UK in eight months.

Two main factors lie behind the increased activity: the recruitment cycle and changes in demands on the industry. The fortunes of recruitment companies tend to echo that of the economy in which they work; Michael Page's results are no different in this respect.

During the UK recession of the early 1990s its margins were squeezed to 3 per cent

as employers became reluctant to take people on and employees became reluctant to move. The upturn in the economy was followed by a need for more staff; this helped Michael Page to almost double pre-tax profits in 1995 and lift them 72 per cent last year. While margins rose to an all-time high of 20 per cent in 1996, the shares have more than quadrupled in two years.

At the same time as the upturn in the economy the financial muscle to expand, the recession appears to have focused minds on surviving the next downturn.

Among larger companies, there has been an increasing desire to expand into other countries and sectors. Interim, a US group mainly providing temporary blue-collar workers, gains a totally different position with Michael Page, which operates mainly in the UK's higher-paid permanent financial services sector. Yet, as one of the five largest recruitment groups in the world, the combined group will still have a tiny market share. The world's two biggest companies, Manpower of the US and Adecco, are estimated to have just 5 per cent of the world's market.

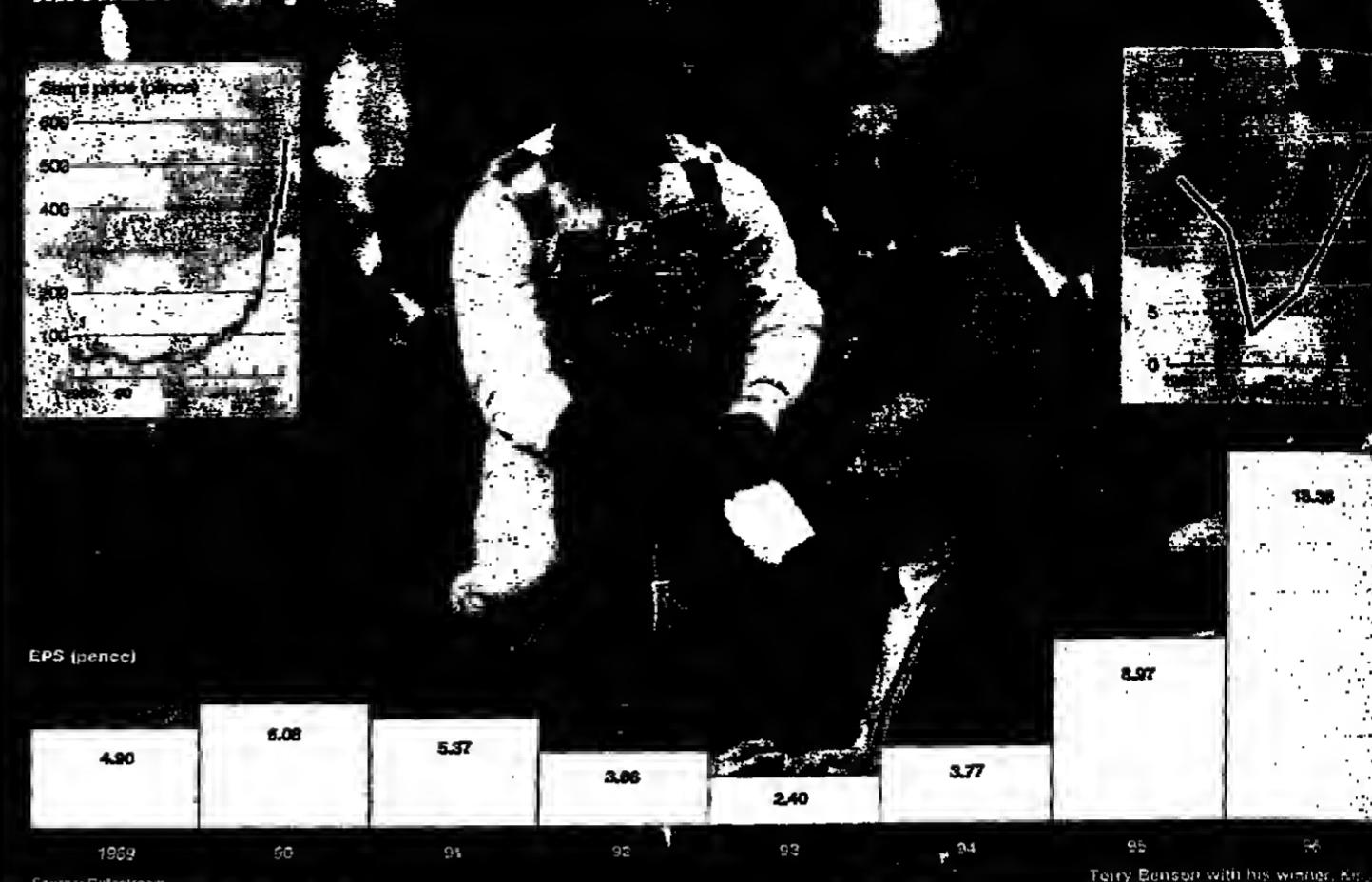
The rush to fill niche areas has benefited those companies which have carved out strong positions in fast-growing areas like information technology. The market ratings of companies like Deloitte and Parity, which provide IT personnel, are more than twice those of non-IT recruiters this year.

Companies have also increasingly tried to ensure

a spread of temporary and permanent workers as both sides of the Atlantic believe that consolidation is set to intensify, particularly as the next downturn approaches. There is some difference of opinion among them about when the cycle will turn.

Mr Benson believes that things are already "looking a bit topsy", with the demand for permanent staff in clerical

Michael Page joins the recruitment leaders



Terry Benson with his mother, Adecco

the last downturn by retaining its core staff - and their long contacts lists - and maintaining its dividend.

While the average age of one of Michael Page's 800-plus staff is the late 20s, Mr Benson repeatedly points out that his senior managers have all been with the company for more than 10 years and the divisional managers have all been there for five years.

Michael Page won plaudits from some analysts during

its surplus rose 57 per cent to £40.5m last year - to cushion the blow of the recession, as did its proximity to reinvest and organically.

While a firm supports continuing changes in industry and the attempt ward off the effects of downturn, he can make them sound futile. "If the 'wind blows,' he's will catch a cold, that's the way it is."

He also believes that the group's fondness for cash -

Saville Gordon to raise £43.6m to buy property

By Michael Lindemann

£5.5m for the six months to October 31.

Mr Carey, 52, said the acquisitions signalled JSG's move into industrial property, the highest yielding sector of the commercial property market. "We are looking to shape this company up into a significant business."

The two portfolios represent 2.7m sq ft across 10 estates. The largest, the Hardebury estate, is a 160-acre former Royal Air Force maintenance site south-west of Birmingham.

Overall the properties generate annual net rental income of £5.44m, an initial yield of 11.7 per cent.

Mr Carey will resign from Rutland, which has been awarded a five-year contract to manage the properties.

• COMMENT

The new shares are priced at a discount of only 5 per cent to JSG's share price, which is unusually tight. However, the property sector remains firm and Mr Carey's arrival helps explain the strong support. With net asset value per share forecast to rise to 67p by the end of October, up from 56p last year, the stock is at a discount to net asset value which makes it look attractive.

Shares in JSG slipped 1p to close at 56p. The company reported pre-tax profits of £2.65m on rental income of

Favourable weather and growth at Baker's Oven contributes to 20% increase

Greggs adapts to neutralise BSE scare

By Chris Tighe,
North east Correspondent

Shares in Greggs, Britain's biggest retail baker, rose 12.5p to £16.45 on news of record pre-tax profits in 1996 of £15.7m, a jump of 20 per cent and ahead of analysts' forecasts.

A strong second half saw pre-tax profits rise 27 per cent, compared with 5.2 per cent in the first 24 weeks. The company passed the 1,000 shop milestone on December 23, the last day of its financial year.

Favourable second-half weather conditions and the

launch of new non-beef products to neutralise the impact of the BSE scare helped Greggs' performance as its returns were raised towards the group average, which almost doubled its size.

Group sales for 1996 grew by 8.6 per cent to £238.5m.

Shops under the Greggs fascia achieved core volume growth of 3 per cent in the second half, compared with 0.5 per cent in the first 24 weeks. At Baker's Oven, core volumes advanced 4.3 per cent in the second half, double the first-half rate.

Mr Mike Darrington, managing director, said that Baker's Oven still offered "immense opportunities" as its returns were raised towards the group average.

The core Greggs divisions, he added, still had scope for organic growth.

After paying £3.2m to acquire Birketts, Greggs ended the year with net cash of £12.5m (£1m). This included a cash inflow of £8.9m from a financing arrangement in anticipation of heavy capital expenditure of £24m planned for 1997.

The funds will be used to improve both factories and

shops and for some new plant.

The group expects to have 1,060 shops by the year-end and 1,300-1,400 under its two main brands by 2000.

Mr Darrington said profits for 1997 so far were in line with budgets and ahead of the same period last year.

Earnings per share rose 21 per cent to 56.8p (79p). The final dividend is 32p (56p), up 23 per cent.

• COMMENT

Not even Greggs can control the British weather, so its management was keen to stress the win-win effect on

End of play at Hasbro toy town

By David Blackwell

A football transfer will difference will be wider this summer as profit of Subbuteo players from Leeds to Waterton the Irish Republic.

Hasbro, the leading US and games group, said yesterday that production of the tiny table-top play and other toys had been uneconomic at its UK sites in Castle Gate, in Leeds, and Paddock Wood Kent. The plants will close in June with the loss of jobs.

The group acquired Subbuteo as well as a monopoly of Monopoly, the world's best selling board game, when it bought Waddington's games division £50m cash in December 1994.

Monopoly passed Go the last time in Leeds months ago, moving Waterford to benefit from economies of scale. Castle Gate had been producing 400,000 Monopoly games a year for the UK market whereas Waterford is making 2m sets for the rest of Europe and other export markets.

Leeds had been home to UK production of archetypal games capitals since mid-1980s, when Waddington obtained Monopoly licence for British Empire. Waddington moved production to its present site at Castle Gate built in 1914 as a munitions factory in 1966.

Mr Bryan Ellis, managing director of Hasbro UK, said Waddington's sales at marketing division would continue to operate from Castle Gate until November when the lease would end. Waddington still owns its site.

Hasbro produces more than 60 per cent of its \$500 (2552m) of European sales from two modern factories at Waterford, at Valencia in Spain. Most Castle Gate's production including Cluedo, Get Craft products and three-dimensional jigsaws will be moved to Waterford. Paddock Wood produces plastic mouldings, and production will be moved to Valencia where Action Man and PlaySchool products are made.

Mr Ellis said the savings from the transfer production would offset redundancy and closure costs, leaving the effect on profits neutral.



Trevor Humphries
Standing down: Peter Jarvis, who retires this summer

Whitbread to sell Keg restaurant chain for £23m

By David Blackwell

Whitbread, the brewing and leisure group, has agreed to sell its North American restaurant business for £23m to Raleigh Corporation of Canada.

The Keg chain comprises 63 managed and 18 franchised restaurants in Canada and the north-western US. The chain, which is estimated to have a book value of £20m and annual profits of about £1.5m, was put up for sale last October.

The deal, expected to be

completed in April, marks the exit of Whitbread from North America. It is only the second sizeable disposal since the group sold its 16 Australian Keg restaurants in early 1995.

Mr David Thomas, who takes over as chief executive when Mr Peter Jarvis retires this summer, said it was a good time to sell Keg "as it is producing sales growth and trading more profitably".

In Europe, the group operates mainly in Germany, where the Churrasco and

Compass lines up stake in Selecta vending

By David Blackwell

Compass of the UK, which has grown by acquisition to be the world's biggest food service group, plans to take a stake of between 20 and 25 per cent in Selecta, the largest vending machine operator in Europe.

Selecta, which has annual sales of \$754m (£266m), is part of Valora of Switzerland. Valora is planning to float Selecta on the Swiss stock exchange, retaining 20 per cent of the shares and offering the remainder of its business in the US, with annual

sales of \$300m (£495m), from its acquisition of Canteen. Canteen has almost 19,000 vending accounts and 150,000 machines. Selecta has 50,000 point-of-sale outlets.

Mr Matthews said Compass would explore all possible synergies, including opportunities in machines and spare parts. It would also undertake purchasing for Selecta of £70m-80m of hot and cold drinks and snacks.

The consideration, which will depend on Selecta's flotation price, will be satisfied half-and-half by cash and shares. Compass shares yesterday closed 16p lower at 706p after Dresdner Kleinwort Benson announced it had placed 35.5m shares at 700p in a global book-build offering on behalf of Accor, the French hotel group.

Accor, which was the biggest single shareholder with 21.5 per cent, acquired its stake at 372p a share as part payment for Eurest Interna-

Insurance brokers in US expansion

By Christopher Adams,
Insurance Correspondent

business of commercial insurance Lockton, for up to \$1.6m.

Reliance, one of the largest US insurers, will through a subsidiary set up a property and casualty broker with Lambert Fenchurch and MTS, a US limited liability insurance broker.

The joint venture, called New Century, will be based in Dallas and will be initially capitalised at \$9.5m.

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year
Abercrombie & Fitch - 6 mths to Dec 31	5.85 (2.89)	0.22 (0.11)	2.51 (0.8)	0.5	Apr 3	-	-	-
Greggs - Yr to Dec 23	238.5 (216.5)	15.7 (13.1)	55.8 (73)	23	May 23	18	32	26
Lilac Supplies - Yr to Dec 31	68.8 (64.8)	7.28 (6.64)	18 (16.6)	5	May 30	4.64	8.15	7.8
Torco - Yr to Dec 31 *	10.3 (7.21)	1.47 (0.527)	4.31 (2.4)	1.84	May 14	1.2	2	1.5
Investment Trusts - MAY 96								
BZW Convertible - 6 mths to Jan 31 *	124.73 (114.41)	2.24 (2.15)	4.28 (3.21)	1.59	Apr 21	1.5	7.8	7.8
Group Trust - Yr to Dec 31	61.02 (58.13)	0.742 (0.63)	1.34 (1.05)	1.4625*	May 30	1.4825	3.75	3.75
Lloyd's Smaller - Yr to Jan 31	-	(0.988)	4 (3.9)	2.16	May 2	2.05	4.11	3.65

Earnings shown basic. Dividends shown net except declared gross. Figures in brackets are for corresponding period. *Min stock 10% increased capital paid up to date. **Comparative figures for 14 months. +Shares issued under placing and open offer in December do not qualify for final pay-out.

PERSPECTIVES

The Nature of Things

A moving mountain with tidal tendencies

A Hawaiian volcano is giving cause for concern, says Clive Cookson

Geologists are monitoring anxiously a huge chunk of Hawaiian mountainside - 20km long, 10km wide and 8km deep - which is creeping out to sea at a rate of 7cm a second. There is a remote risk that the Kilauea volcano, one of the most active in the world, will slump into the ocean, triggering a gigantic *tsunami*, a wave up to 300 metres high, which could devastate coastlines around the Pacific from California to Australia.

Although no *tsunami* on that scale has been recorded during historic times, there is scientific evidence for mega-slumps and gigantic *tsunamis* in the Pacific within the past 100,000 years.

Sonar images of the ocean floor show landslides involving hundreds of square kilometres of rock. And geologists have found deposits of crushed coral, lumps of pumice stone and other wave-borne debris up to 300 metres above sea level in Hawaii, Australia and New Zealand, which they say could only have been carried there by a *tsunami*.

Kilauea is bristling with high-tech monitoring equipment, installed by US geologists to detect changes in the shape of the mountain. The idea is to give advance warning of hazardous volcanic activity from new eruptions of gas and lava to catastrophic landslides.

The Global Positioning System, the navigational system operated by the US Defence Department, plays a key role in monitoring Kilauea and other active parts of the Earth's crust. GPS is based on a constellation of two dozen satellites in orbit 20,000km above the Earth, each broadcasting its precise position and time by radio continuously to receivers all over the world.

Although the Pentagon restricts the accuracy of GPS for civilian users with mobile receivers to no better than 25 metres, geologists with specialised fixed receivers can do far better. They can detect movements of the Earth's crust to within a few millimetres.

Another valuable new tool for Earth monitoring is synthetic aperture radar (SAR) interferometry. This mea-

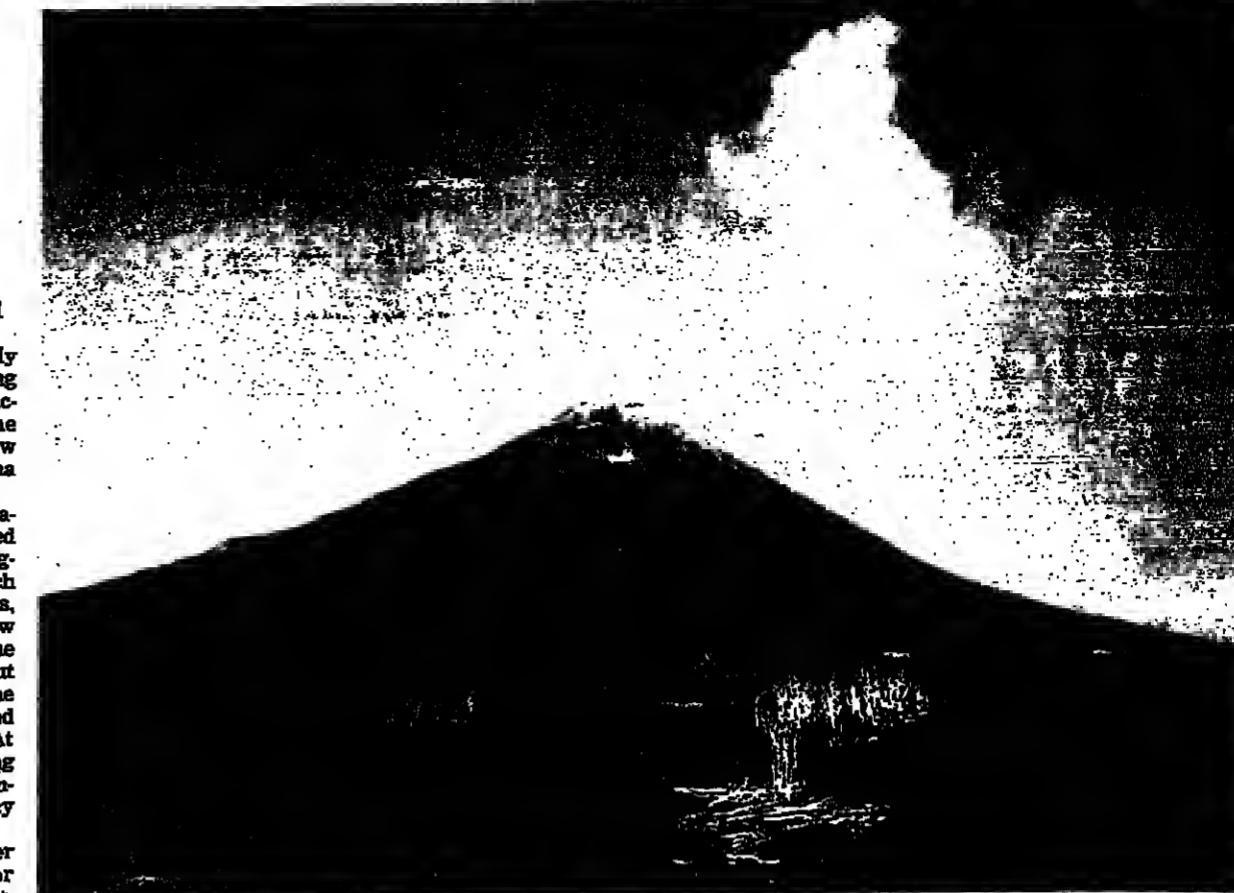
sures deformations in the crust from slight changes in the travel time of a radar beam transmitted by a remote-sensing satellite such as Europe's ERS-1.

GPS monitoring gives more accurate results than SAR in places such as Kilauea where it is possible to install receivers. SAR does not need any ground-based equipment and is, therefore, far superior for

Some people went to the seaside to see the wave, with tragic results

detecting deformations in remote regions or over large areas. However, the use of SAR is severely restricted by the limited capacity of today's remote-sensing satellites, which were designed for other purposes.

Paul Segall and colleagues from Stanford University in California have been mon-



Where there is smoke: the active Kilauea volcano in Hawaii.

Paul Segall

sures deformations in the crust from slight changes in the travel time of a radar beam transmitted by a remote-sensing satellite such as Europe's ERS-1.

GPS monitoring gives more accurate results than SAR in places such as Kilauea where it is possible to install receivers. SAR does not need any ground-based equipment and is, therefore, far superior for

wave would not look spectacular, but as the mass of water ran up against a sheltered coastline it would slow down and increase rapidly in height. And in places where bays and estuaries added a funneling effect, the devastation could extend hundreds of feet above sea level.

In the open ocean the

and Australia would have several hours warning before the *tsunami* struck - long enough to organise a partial evacuation from low-lying areas but not enough to avoid catastrophic devastation and loss of life. And the emergency warnings would need to be phrased in a way that made people take them seriously. When an earthquake-induced *tsunami* hit Hiroshima in 1960, the death toll of 61 was unnecessarily high because some people went to the seaside to see the spectacular wave - with tragic results.

Although the threat of a devastating *tsunami* is greatest in the Pacific, there may

be a remote risk in other oceans, too. The island of Réunion in the Indian Ocean is a possible slumping site and some geologists fear that the steep west side of La Palma in the Canary islands could collapse into the Atlantic, generating a *tsunami* that would devastate the coast of Florida.

is easy to transport to site and it does not degrade."

E-Co also supplies foundries that forge specialist steels for tool manufacture. The foundries use charcoal because it is cleaner than other fossil fuels. "Because of the lower density and higher carbon content of our charcoal, it is chemically more reactive - this means when fluxing (melting) copper or when casting, the foundry uses less charcoal and gets a better operation."

The company broke even in 1996 on turnover of £40,000. The figures include the barbecue market, fines, some log sales and besom brooms (made from silver birch branches). The latter were developed by Williams' first company called Craft-With-Care, which he started in 1989.

Then he was awarded a government Enterprise Allowance to manufacture, pack and sell products from traditional labour-intensive crafts. A number of disadvantaged and disabled adults were trained and still work for him at E-Co, now merged with Craft-With-Care. Profits for 1997 are projected at £26,000 on turnover of £120,000.

At the main warehouse in Brewers Hall, near Hadlow, the lumpwood is separated from the fines. Bought in from the charcoal burners at £375 a tonne, E-Co wholesales it at £250 and the retailers sell it to the public in 3kg or 5kg bags at £1,300 a tonne. The fines are sold in synthetic fibre sacks weighing about 25kg (40 to the tonne). They can be sieved to produce graded sizes and prices start from £550 a tonne, depending on volume.

"Waste management of the fines is where the industry could really take off," Williams says. "We can work with the client to their specification - groundsmen looking after sports turf, orchid growers, landscape gardeners."

"If we can find new uses for the fines then the burners can be in the woods all the year round."

■ English Ecological Enterprises, Yew Tree Cottage, Ide Hill, Sevenoaks, Kent TN1 6BU. Tel: 01732 750271.

Minding Your Own Business

An industry out of the woods

Christopher McCooey on a man intent on turning charcoal production and its waste into a year-round concern



When you go down to the woods near Hadlow you may come across Stan Williams (left) and Derek Powell, not to mention some nesting Hobbies and a few woodpeckers.

Christopher McCooey

Stan Williams is the thinking man's charcoal seller - a trained chemist with a PhD, he started English Ecological Enterprises in 1995 because he was committed to sustainable woodland products and crafts.

The company does not make the charcoal but buys it from half a dozen independent charcoal burners who are out in the woods from March to October. Williams believes that in the south-east of England alone there are 600,000 to 800,000 tonnes of low value timber suitable for charcoal production which could be harvested in a sustainable way.

He says that with just the right blend of missionary zeal and scientific pragmatism the charcoal industry will expand rapidly.

"Using charcoal for barbecues is now common but there are many other uses for it in horticulture and industry. All these uses are essentially traditional and people working in current crafts and trades are rediscovering the best practices of their fathers and grandfathers."

E-Co sold 45 tonnes of charcoal in its first full year of trading in 1996, mostly for the barbecue market, and Williams expects this to increase to 120 tonnes for 1997 and 240 tonnes in 1998.

Typical of the charcoal burners whom Williams works with is Derek Powell, an aerospace engineer by training, and is now in his third year of making charcoal, having invested in a portable steel kiln costing £1,500. He quietly goes about his work in woodland near Hadlow in Kent, where he shares his workplace with nesting Hobbies and all three British woodpeckers. Powell's weekly charcoal production is about 600kg and Williams pays him £1.50 a 3kg bag of lumpwood, the natural charcoal. E-Co is in effect acts as a wholesaler.

"The barbecue charcoal market in the UK is about 60,000 tonnes annually," says Williams, "and barely 5 per cent is made here. It's ridiculous that a wood product is brought half way around the world when we have the

capacity to make the same product - and a better one - here."

English charcoal is indeed cleaner when burnt and the process by which it is produced results in a charcoal that is more than 90 per cent carbon, compared with 65 per cent to 80 per cent for much imported charcoal. As it is sold by weight, foreign

producers have no particular incentive to increase the carbon content.

"You pay more for English charcoal but then you get more," Williams says. "It lights easily with scrunchie-up paper - no flint - it doesn't smoke, and you can cook on it within 10 minutes."

English charcoal first went

on sale in five B & Q outlets in 1994 - last year 120 stores sold it and English lumpwood, large pieces of charcoal, outsold the imported lumpwood four to one.

Williams is E-Co's major shareholder and has two partners, one of whom is sleeping. The active partner is Martin Lewis, E-Co's marketing director. His primary

job is finding new outlets and new markets. "Our marketing strategy is to concentrate on the rapidly expanding petro-forecourt business," Lewis says.

Williams adds: "Last year we did 40 tonnes of lumpwood and 5 tonnes of fines - the charcoal that is too small for the barbecue market, that is less than 13mm.

We expect to sell 10 times

that fines figure this year."

The horticultural properties of charcoal fines read like a eulogy - it is porous, low density, has a neutral pH, retains water, sweetens soil, is sterile, helps to distribute nutrients, is non-biodegradable and resists algae and moss growth.

"One client used it to

restore a woodland path," says Lewis. "It was on clay and the charcoal was laid on top. It provided a stable surface suitable for wheelchair users and was found to be much better than shingle because it didn't stain into the mud."

"Charcoal is so low in density compared with sea shells or wood chips that it

marks of these false self-indulgences and a hollowness behind the eyes of those who have never taken time out to discover the inner landscape, let alone explore it.

There are others, far too few, whose faces seem to have another dimension, a transparency perhaps, because the self has journeyed somewhere far inside.

They have done their annual pilgrimage to the far pole of their being where their true self lies - or does it perhaps lie just in the journeying? In any case, when you look into their eyes it is more like looking into a deep pool in which great creatures slowly swim. Hump! Anyone for a drink?

Chris McConville

Finding out who is in the phone box

Lent is the time to clear debris on the inner landscape and redevelop, says Hugh Dickinson

The keeping of Lent is a minority preoccupation.

Do we see the bistros and wine bars of the square mile of the City of London suddenly silent and deserted after Ash Wednesday? We do not. Is there a marked absence of market traders quaffing Veuve Clicquot to celebrate their latest jumbo boutiques? No way. Do we see signs saying "standing room only" outside the enterprising City churches which advertise thoughtful lectures on ethics or the things of the spirit for fated bankers in their lunch hour? So far, a blank.

Perhaps in the quiet corners of a corporate suite a few noble spirits are sipping tonic and bitters, and one or two stout souls cutting out butter and Camembert; but they are likely to be more anxious about their weight or their cholesterol than the condition of their immortal

soul - should they think this matter myself I fall to reflecting on what difference it would make if I did not have an animal - and not always successful - attempt to allow an external discipline to deny my life.

It seems to answer some deep primal instinct to create a rhythm or space in the inner world which reflects the rhythms of the natural world outside. A kind of putting down of roots in early spring.

Look how strong my will is! No chocolates for six weeks! But this is religious totemism; like the appendix in the human gut, it is only the vestigial remnant of a forgotten way of life - horizontal herbivore or religious devotee - which is now obsolete for all but a few antique oddballs.

Being an antique oddball

is in this matter itself I fall to reflecting on what difference it would make if I did not have an animal - and not always successful - attempt to allow an external discipline to deny my life.

more like the migratory urge which drives the Arctic tern to begin its long pilgrimage from one pole to the other. As if its true self is not here but there.

The primal instinct for a period of abstinence or "self-denial" is not just masochistic. "What are you giving up for Lent?" suggests that we are thinking up something unpleasant for ourselves. The authentic instinct is

to retreat into the monastic life is an accepted custom even for busy businessmen and women. Employees are given leave of absence without demur.

In the Oriental traditions the spiritual and material dimensions of life are finely interwoven and make up the warp and woof of a richer fabric than our western dualism or naked materialism afford us.

The primal instinct for a period of abstinence or "self-denial" is not just masochistic. "What are you giving up for Lent?" suggests that we are thinking up something unpleasant for ourselves. The authentic instinct is

to retreat into the monastic life is an accepted custom even for busy businessmen and women. Employees are given leave of absence without demur.

To find themselves they risk themselves.

What one society and culture has forgotten is that there is an inner journey into the wilderness places within us. Each human being is like Dr Who's Tardis; the space inside that very ordinary looking telephone kiosk is far larger than its outer dimensions.

The inner world is enormous. It has its own geography, its deserts and storms, dragons and monsters, its sacred streams and imminence woods. Know it or not "we live by an invisible sun within us".

Most of us, particularly

PERSPECTIVES

Joe Rogaly

A lesson in numbers for students

Is there anything wrong with working through college?



Britain's students should work their way through college. It would do the blighters good. And while we are at it: the universities they attend should be unshackled, liberated, freed from state control; privatised. The allocation of research grants by a quango gives the government control over how faculties work. It is the opposite of academic freedom.

This would not be a shocking outburst in the US. It is not really so outrageous as it may sound on the British side of the Atlantic. Free tickets to higher education are sold as a means of promoting equality of opportunity, but in Britain they are also part of a confidence trick, subsidy paid to the middle classes out of their taxes.

At the upper-income levels parents buy their children private schooling. When the final examination results are in they reward their successful offspring by financing a grand tour or "year off". Back from Kathmandu or the European rail network, the bright-eyed youths lay down their backpacks and saunter along to the campus. They register for a first degree course. Their tuition fees are paid by the fresher's local authority - that is, you and me. Such madness cannot last.

It will not, however, disappear quickly. Politicians who wish to win elections tread carefully before removing bounties from articulate voters. They usually do these things over a long period, by stealth, as with mortgage interest tax relief. This has steadily dwindled in value, budget by budget. It is now ripe for abolition after the UK election in coming months.

Likewise, in the first Thatcher administration the state pension was pegged to the annual rise in prices rather than earnings. The machinery was set for its disappearance a generation or so later.

The maintenance grant

'Students could take out loans which could be repaid on the Australian model'

formerly available to UK students has been similarly eroded. Its cash value was frozen between 1986 and 1988, since then it has been cut by about a 10th each year. Its replacement is a student loan scheme. The Confederation of British Industry would like to see the scheme's debt sold to the private sector. The grant would be restricted to the most needy students. The resources thus released could be switched towards the cost of education.

In the CBI view this would remove any immediate need for introducing tuition fees, although that is regarded as a long term prospect. Others want to see action sooner. In a pamphlet published by the Education Unit this week Stuart Sexton calls for full fees to be charged by all universities. The price for courses in particular subjects would be decided by each institution. There would be a scholarship or bursary to cover most of the charge. Students could take out loans which could be repaid on the Australian model - that is, as an addition to later taxation.

Will this happen? It is a matter of when, not if. The

number of UK students has increased fivefold since 1982. Before long it could double yet again. This growth rate has not been matched by an increase in public expenditure. The quality of teaching, and of graduates, is likely to fall.

We are turning out costly rows of potential back-office operatives destined to sit at computer screens, ready to say with a smile in the voice "how may I help you?" before irritatingly failing to do so.

If we are to do better than that, the universities will have to have more money. Academic staff are shockingly badly paid. Yet the willingness of politicians to tax the rest of us is exhausted. There are several other potential sources. Farming out research and consultancy through campus companies is one. Another is the American art of soliciting contributions and bequests from alumni.

This is in its infancy in Britain, although Oxford and Cambridge are catching on. The older universities might manage their investments to better

The two main parties are led by politicians who claim that education is their priority

effect. All of these devices could help, but the total would not be enough. There is no escape from the conclusion to this dismal check-list. Most of the money will have to come from students.

It is a simple proposition, easy to understand. Any Conservative member of parliament is free to utter it, particularly if he is no longer running for office. Any Labour member may say the same, as evidence of a carefree if attractive indifference to the prospects of a ministerial career. Curious. The two main parties are led by politicians who claim that education is their priority.

They are relying on Ron Dearing, who has been asked to come up with solutions after the election. Sir Ron specialises in emollient and pragmatic good sense. He should add a little boldness. If tuition fees are paid by students, they will have a greater sense of the value of what they are buying - and universities will strengthen their sense of independence.

The poor could be protected by issuing them with vouchers, or softening the loan terms, or a combination of the two. This may be daunting for some; several people I have discussed this with say they came from unpromising backgrounds and would not be in their distinguished positions today if the state had not financed their university education. Yet I cannot see the harm in students who need cash taking up part-time or holiday jobs when they are available.

There would be a further advantage to radical reform of university finance. If the market rules our colleges need no longer gear their activities to the targets set by the Higher Education Funding Council. This quasi-government body bases its awards on assessments of the quality of research, as well as student numbers. The market could do this much more efficiently.

The signs are that a consensus is building behind the propositions outlined above. Labour would doubtless prefer to follow the CBI line. It hopes to govern for at least two terms and may fear a middle-class backlash if it moves too quickly in the first. Tuition fees may be introduced slowly, with much sleight of hand. But they are coming. You can bet on it.

McLaren: I'm simply not someone like Trollope'



Part-time high-flier John McLaren is 'no longer prepared to sell any more years of my life for financial security'

Lydia Van Der Meer

Lunch with the FT

A banker with a creative twist

Lucy Kellaway meets John McLaren who has made the leap to cross-genre novelist and classical music saviour

John McLaren, I had decided in advance, was going to be dashing, rich, funny and clever. In short, I was looking forward to having lunch with him. He is a merchant banker with a difference. With several differences, in fact. A director of Deutsche Morgan Grenfell and an ex-diplomat, he is known in the City as Bond, James Bond. He first made the news last October as the man behind Masterprize, a new £25,000 music prize set up with the BBC, the London Symphony Orchestra and EMI to encourage composers to write symphonies.

"I don't think they see it in relation to the odd bit of adverse publicity the bank has been getting. But as far as Masterprize goes, it does no harm to see that a director of Morgan Grenfell does other things." The odd bit of adverse publicity - there was an understatement. "It is not just the people at the top. I have a wonderful relationship, I hope, with the secretary and messengers and they find all the politeness fun. But it's possible that people at my level may be less enthusiastic. The thing that might give them a

twinge is the feeling that they ought to be broadening out and thinking about life after the City."

Indeed, such has been McLaren's success in broadening talks with another bank about a mass defection of fund managers.

"Yeah, I was. Absolutely." And what will he do with it? But no sooner had I asked than I realised that, in City terms, the odd \$1m is peanuts, compared with what he is losing by going part-time.

"I have a relatively simple lifestyle. People say, aren't you worried about security long term? My answer is that long term I may have a very simple life indeed. I may not have any smart holidays or meals out or buy expensive things. But I am not prepared to sell any more years of my life for financial security."

"Was that nice?" he asked as our main courses were cleared away. "Most have been better than yours," I said, noticing that he had eaten almost none of his berries. "I asked if he cooked.

"I don't. It is one of the things I plan to correct. What I wanted to do last year was to learn the principles of cooking, but I ran out of road timewise."

By this time we had also run out of road, indeed were more or less the last diners in the place. On the way out he took me downstairs to show me some bar chairs he particularly admired and promised he would send me the synopsis for the novel he thinks I should write.



* Based on 2 people sharing a double room

At these prices, the weekend can last all week

When was the last time you went away for a long weekend? You've got no excuse now, because our special weekend rates are available every day of the week,

as long as you stay a Friday or a Saturday night. Our Super Breakfast buffet is included in the price and up to two children under 18 can stay free in your room, depending

on available space. Why not make it a break just for yourselves and take in a show, sightseeing and some shopping? Call us now, but you'll have to be quick, availability is limited at these special prices. For reservations call 0800 374411 or non toll-free from any other country on:

+353 1706 0284

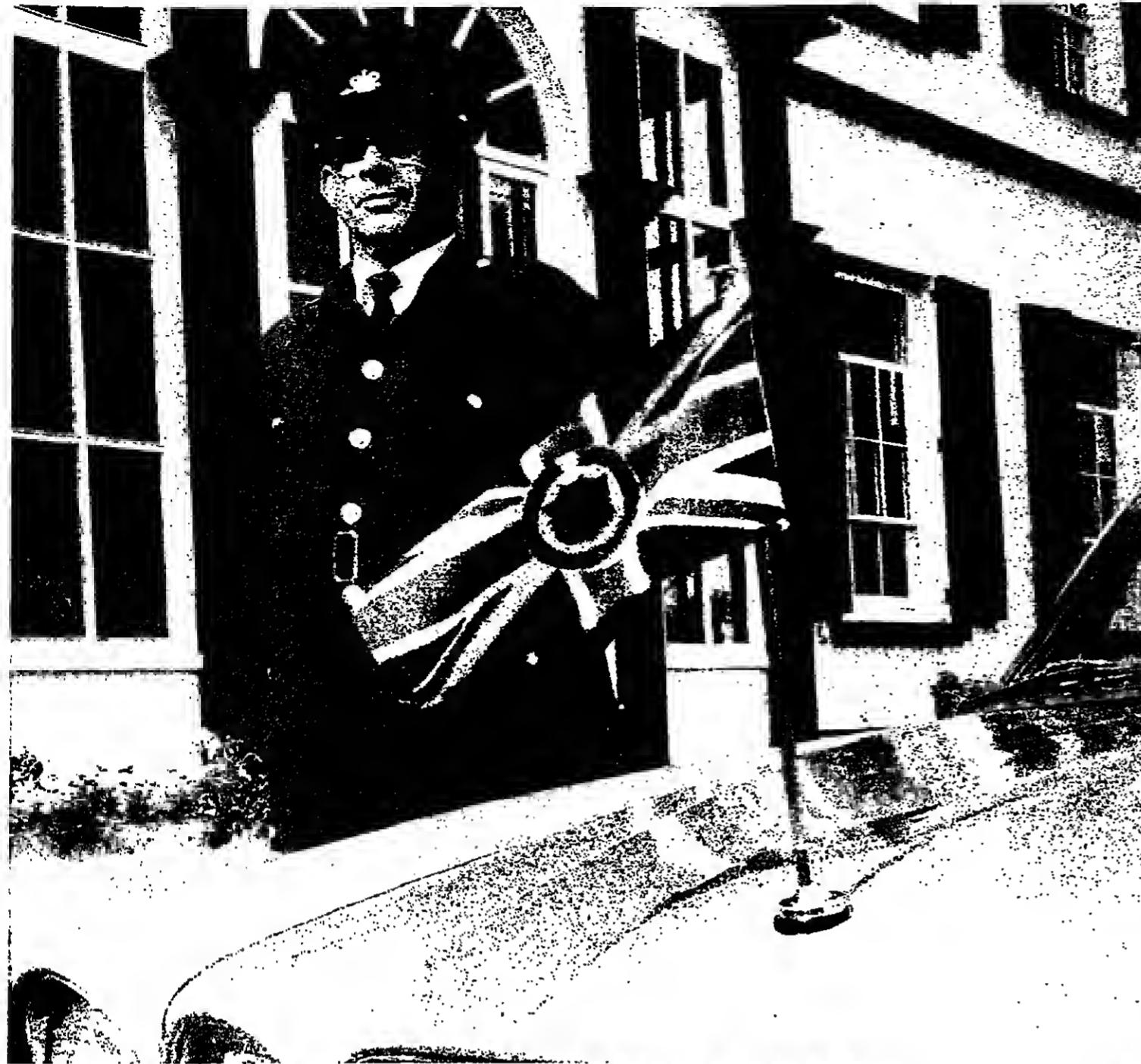
**GREAT
WEEKENDS**

Radisson SAS
HOTELS WORLDWIDE

<http://www.radisson.com>

Radisson operates more than 350 hotels worldwide. You can find Radisson SAS hotels in: SCANDINAVIA: Aarhus • Copenhagen [4] • Odense • Helsingør [2] • Bodø • Kristiansand • Oslo [3] • Tromsø • Trondheim • Göteborg • Helsingborg • Luleå • Malmö • Stockholm [6] • Västerås • Östersund. EUROPE: Salzburg [2] • Vienna • Brussels • Berlin • Düsseldorf • Erfurt • Hamburg • Lübeck • Neubrandenburg • Münster • Rostock • Wiesbaden • Budapest • Bergamo • Bruxelles • Lodi • Milan [2] • Lake Garda • Riga • Amsterdam • Szczecin • Lisbon • Sochi • London [11]. Radisson SAS and Radisson Edwardian • Strasbourg. MIDDLE EAST: Dead Sea [2] • Eilat • Jerusalem • Tel Aviv • Tiberias • Zichron Yaakov • Kuwait City • Doha. ASIA: Beijing • Shanghai.

PERSPECTIVES



Proud to have been British for more than 300 years, St Helena is fighting for full citizenship, taken away under the 1981 Nationality Act.

Teutonic hearts beat for Italy

A powerful legacy exists in Germany for southern delights, says Frederick Stüdemann

Thinking in stereotypes, the idea of Germans and Italians being soulmates seems highly unlikely. Sober and efficient Germans who know how to manage a currency do not appear the best play pals for passionate and lovingly chaotic Italians.

But opposites, as they say, attract. While in official, cool-headed terms France may be Germany's European Friend Number One, it is for Italy that the Teutonic heart beats most passionately. (In a vaguely reciprocal vein, Italians look upon Germany – or its currency at least – as a source of inspiration.)

To get a snapshot of this relationship in action one need only look at this season's hit German film, *Rossini*. Written by Patrick Perftime Shiskind and Helmut Dietl, the film, which has already been seen by more than 1m people, is a comedy of manners about the vanities and absurdities of the Munich *schickerie*. As such, it is appropriately set in that very German institution: the Italian restaurant.

Rossini is one of those restaurants where people go to perform, rather than eat. At the best tables husbands inform beauty surgeons of their wishes for their wives' next breast enhancement, while upstairs a lone writer takes his *guccio* in artistic retreat.

Moving between the two is the fashionably jaded film director who uses the restaurant as his home away from his villa and as a forum in which to display his creative block. To keep the plot moving women are wooed, lovers are spurned, bankers are ridiculed and the leading lady kills herself.

Presiding over all this mayhem is Herr Rossini who, like countless of his compatriots, worked out long ago that when it comes to Italian restaurants Germans are not so much interested in buying a plate of (often over-priced) pasta as taking an antidote to the boring sobriety of their immediate surroundings.

And so life in Rossini is an engaging starched-linen mix of charming smiles and impulsive gestures. Prosecco and grappa are served up on the "Casa" to seal ephemeral friendships while tarty rustic cuisine is presented as effortless cultural sophistication. And everyone says ciao with a kiss. German restaurants tend to conduct business.

Goethe gave poetic voice to a deep longing for otherness and in doing so, crafted the template for countless German dreams of the delights lurking beyond the Alps. Two centuries later, Goethe's vision is just an autobahn away and during

the summer months traffic on all roads south is a nightmare as thousands follow in his footsteps. The hills of Tuscany have long ceased to be the preserve of delicate romantics and aristocratic aesthetes.

One of the products of this democratisation of Germany's Italian dream can be found in the opposition Social Democratic party's so-called *Tuscan faction*. This is the name given to latter-day student hotheads who head south to the hills to sip wine and talk about the future of Germany as an industrial location and the dismantling of the welfare state.

For those of a leftish hue Italy offers numerous chances to transcend German bourgeois norms. It is not only less regimented, but also perceived to be more worldly. A popular left-wing novelist once boasted to me from the sofa of his comfortable Munich house that he never drank beer. Beer would simply be too boorish, too redolent of wheezy Bavarian conservatism. No, being cosmopolitan he drank wine Italian, of course.

Such inverted patriotism sometimes means suffering for your sensibilities. Take the case of Pinot Grigio and Weissburgunder wines. Both come from the same grape. In the view of one non-German wine critic I know, the Weissburgunder is, on the whole, superior to Pinot Grigio which he describes as "largely bland, industrially produced plonk". Try telling that to German restauranteurs. Whether in an Italian eatery or otherwise, Pinot Grigio is typically offered as something a little special, while Weissburgunder is shunned as second-rate.

The wine critic tells a further apocryphal tale of visiting a hill-side restaurant in Tuscany. The car park was packed with BMWs and Mercedes with German number-plates, inside refugees from the Rhine valley and the Westphalian plain spluttered away in *Trattoria Italiano* while the waiting staff listened patiently.

Only later did it emerge that not only were the guests German, but so were the staff. In a reverse take on the likes of Herr Rossini, some entrepreneurial young Germans had found that in the proper setting there was money to be made in Italy pretending to be compatriots to be Italians.



An island cut adrift

St Helena's inhabitants feel abandoned by the UK. Angela Wigglesworth explains why

'Our Sovereign lady Queen Elizabeth we look to as our head; we sing the National Anthem at the top of our voices; we fly the Union Jack, our way of life is British; the only language we speak is English.'

tions should be given full citizenship rights as if they had been abiding and borne within [the] realms of England".

St Helena, 10½ miles by six and with a population of 5,500, lies 1,000 miles from the African mainland; it can only be reached by ship. The island is famous for being the place where Napoleon was imprisoned after the Battle of Waterloo.

But walk along the main street in Jamestown, the only town on the island, and you find the strong connection to a Britain of 50 years ago. Greetings to strangers are friendly and relaxed, the buildings Georgian; there are pictures of Queen Elizabeth and the Duke of Edinburgh in every cottage. They find it hard to understand what they see as rejection and neglect by today's British government.

The British Nationality Act was a bitter blow for the St Helenians who have been loyal to Britain since the British settled there in 1659.

It hurt when their island was demoted to the status of a British Dependent Territory, especially as they have fought for Britain in two world wars and their only ship, the *RMS St Helena*, was used for the Falklands conflict.

The ancestors of every person on the island today – Asians, Chinese, African and European – were taken there by the British to serve Britain, some of the earliest going as refugees from the Great Fire of London in 1666.

The island has never been colonised by any other nation, and the inhabitants' right to be considered British, they say, goes back to 1659, when a Royal Charter stated that "natives of St Helena and future genera-

tions should be given full citizenship rights as if they had been abiding and borne within [the] realms of England".

The cut in UK subsidies

St Helenians have had no national product to export since the early 1960s

when their successful hemp industry collapsed after the British Post Office, the main buyer, switched from hemp to synthetic fibre.

There are now hopes for growing coffee (the beans are very expensive but the Japanese love them), a fishing industry and tourism – it is a beautiful island but takes five days to reach. The last of the regular long-distance mail ships, is part of the experience of the trip.

The cut in UK subsidies

is forcing the St Helenian government to reduce its own public spending with a subsequent loss of jobs in the public sector and a rise of petty crime on what was previously an almost crime-free island.

The only remaining places for unemployed Saints to go in search of work are Ascension Island and the Falklands – both fellow Dependent Territories. There are almost as many St Helenians working on these islands as on St Helena itself.

Not all Dependent Territories have had full British citizenship taken from them.

has forced the St Helenian government to reduce its own public spending with a subsequent loss of jobs in the public sector and a rise of petty crime on what was previously an almost crime-free island.

The cut in UK subsidies

The Falkland Islanders had theirs restored soon after the 1982 conflict with Argentina; Gibraltar, another dependent territory, also has full citizenship status; and 50,000 Chinese nationals and 8,000 Asians in Hong Kong have recently been given it too.

The British Foreign and Commonwealth Office said that in the case of Hong Kong, the Chinese authorities would not give citizenship to an ethnic minority group, so they would not have had any citizenship at all. And special cases are made for the Falkland Islanders and Gibraltar too.

Little has been done on St Helena to promote its cause since a heated legislative council meeting in 1985 when the then governor forced through British Dependent Territory status in the face of the unanimous opposition of the councillors.

Now anger and resentment at what they see as an injustice, is spurring the islanders to fight back. Last month, a petition signed by every councillor was sent to Malcolm Rifkind, foreign secretary, asking why British citizenship could not be restored?

Under the 1948 United Nations Universal Declaration of Human Rights, they wrote, everyone had the right to a nationality: no one should be arbitrarily deprived of it nor denied the right to change it.

Islanders have set up a Citizenship Commission to research the issue on legal grounds but there is no public solicitors office on the island, they have no access to legal aid, and must raise £7,500 to pay for representation.

The island has never been a self-sufficient society. It has no economic base and this was recognised by the English when they first annexed it. As the 1673 Charter states: "It was valued as a fortress and a port, despite or even because of its being a place of no trade or traffic."

But the prospect of citizenship being restored seems bleak. Rifkind has not yet replied to their petition and the foreign office offers little hope.

Today, like Napoleon, the St Helenians feel as though they have become prisoners on their own island.

I was on a journey east in the summer I met Peanut Willie. It doesn't matter really where. It is the going that I like, but not everyone understands this. I was a young, a student and had to conjure up a destination to make things sound plausible. Going anywhere opened up to adventure.

Normally the road outside Liverpool pointing towards London is drab, even grim, but now was full of promise. The Golden Road to...

He pulled over his signal red van and came to a halt with the passenger door exactly at my feet. I got in without question. He was a dumpy, balding Flash Harry Cockney with an accent I found difficult. It wasn't long before he had filled me in on his background. Yes, he was born within hearing distance of Bow Bells and he had a name but it wasn't important. His friends called him Peanut Willie since he started his professional career in that business. Importing from Brazil and retailing. He was still in sales. Cosmetics. The

retail end of Cosmetics.

"I'm wo" I understand see, the retail end of wangs... wa the punter wangs." He looked quizzical on hearing my destination but approved of the going away. "Looks a bit o' travel moose I do... Off to Torre Millions when'er I gets the ch'awn'see."

He was miniature and rotund with perfect skin. Mostly bald, he had a high, shiny dome with Mercury wings of dark hair over each ear. His fingers were stubby, expressive and manicured, and he wore four rings. The one on the little finger nearest to me was a gold sovereign and he tapped it on the steering wheel a lot. He gave it an admiring glance whenever the conversation drifted towards the mercenary.

We had to pick up merchandise from a perfumery in Finsbury Park, north London. It wasn't what I expected. The premise was a basement with an old Georgian door oft coated with paint, the last time purple. We loaded two rusty drums of

busby eyebrows. And he had a slight problem. His business partner had "shot through", leaving him high and dry in a period of high demand.

It wasn't often he'd trust a stranger to assist him in his trade but he was under pressure, and I looked honest, and I could fill in for a short time. If I wanted. The rewards were promising but it all depended on the demand. And the weather. I was surprised how the weather could affect the "Cosmetic Industry", but then I had no experience in this area of big business.

We had to pick up merchandise from a perfumery in Finsbury Park, north London. It wasn't what I expected. The premise was a basement with an old Georgian door oft coated with paint, the last time purple. We loaded two rusty drums of

the finest perfume in the world. Abdullah (trade name only), Willie said brings it straight from Arabia himself see. None of those expensive middle men that you must pay if you buy in 'arrows see.'

Next stop was the printer in Elephant and Castle who displayed a range of "artistic material" that I found uplifting. Life Art. This wasn't our cargo. For Peanut Willie, he had a high stack of home-produced double-page advertisements for the bottles to be sold. Perfume bottles. Subdued, elegant and of excellent quality.

And so to the council flat in Keosington, which Willie said was passed on to him by "business partners". New to the Cosmetic Trade. I was given a menial job. I had to prise open the staples in the centre of qual-

ity magazines and insert our advertisements as the centre-folds. The prices were discreet in italics – £25 and £45 a bottle.

Two glam-looking women with blonde hair chewed gum while they filled miniature bottles, exact replicas of the centrefold. The women would be dickies, or pretend customers... to get the punters to bite. "It's called market development," he said. All I had to do was watch for Bill.

And what would I do if I saw him, I asked. "Move in, lif the box of merchandise and leg it down the alley." I was petrified, but too far in to get out.

I hated my sheltered background and envied FW his flaws, light banter and easy jokes. He had set up his stand, showing the centrefolds in convincing display. "In 'arrows you pay £25 a bottle, in Fortnum's £35 but 'ere

on Oxford St, I can let you 'ave it, not for £25 (he hit the display with the sovereign ring) not for £25 (another knock of the ring) not even £15, but for £5. Just for today..."

My two colleagues surged in and bought, flashing fivers and prompting others to purchase the great bargain. Handbags and wallets were open and there was urgency to buy while stock lasted. Activity was frenzied. It was street theatre and I was beginning to enjoy my life in crime when I saw the helmets headed our way. I couldn't move.

I tried to give warning. I released a shout but it never escaped my sawdust dry throat. The cop was Goliath. He raised one boot and brought it down on the display. It was an ugly situation. PW was snarled in front of me and I was ridden with guilt.

It took me a little time to compose myself. I was still elevated on the crate and people were looking at me. I dismounted and picked uncertain steps away, leaving the empty crate a moment later to a brief career in crime.

On the Golden Road... to crime

Paddy Linehan, waylaid as a student, found himself slipping into a world of illicit perfume

retail end of Cosmetics.

"I'm wo" I understand see, the retail end of wangs... wa the punter wangs." He looked quizzical on hearing my destination but approved of the going away. "Looks a bit o' travel moose I do... Off to Torre Millions when'er I gets the ch'awn'see."

He was miniature and rotund with perfect skin. Mostly bald, he had a high, shiny dome with Mercury wings of dark hair over each ear. His fingers were stubby, expressive and manicured, and he wore four rings. The one on the little finger nearest to me was a gold sovereign and he tapped it on the steering wheel a lot. He gave it an admiring glance whenever the conversation drifted towards the mercenary.

We had to pick up merchandise from a perfumery in Finsbury Park, north London. It wasn't what I expected. The premise was a basement with an old Georgian door oft coated with paint, the last time purple. We loaded two rusty drums of

busby eyebrows. And he had a slight problem. His business partner had "shot through", leaving him high and dry in a period of high demand.

It wasn't often he'd trust a stranger to assist him in his trade but he was under pressure, and I looked honest, and I could fill in for a short time. If I wanted. The rewards were promising but it all depended on the demand. And the weather. I was surprised how the weather could affect the "Cosmetic Industry", but then I had no experience in this area of big business.

Next stop was the printer in Elephant and Castle who displayed a range of "artistic material" that I found uplifting. Life Art. This wasn't our cargo. For Peanut Willie, he had a high stack of home-produced double-page advertisements for the bottles to be sold. Perfume bottles. Subdued, elegant and of excellent quality.

And so to the council flat in Keosington, which Willie said was passed on to him by "business partners". New to the Cosmetic Trade. I was given a menial job. I had to prise open the staples in the centre of qual-

ity magazines and insert our advertisements as the centre-folds. The prices were discreet in italics – £25 and £45 a bottle.

Two glam-looking women with blonde hair chewed gum while they filled miniature bottles, exact replicas of the centrefold. The women would be dickies, or pretend customers... to get the punters to bite. "It's called market development," he said. All I had to do was watch for Bill.

And what would I do if I saw him, I asked. "Move in, lif the box of merchandise and leg it down the alley." I was petrified, but too far in to get out.

I hated my sheltered background and envied FW his flaws, light banter and easy jokes. He had set up his stand, showing the centrefolds in convincing display. "In 'arrows you pay £25 a bottle, in Fortnum's £35 but 'ere

JAY JOSEPH

JULY 1997

hearts
Italy

End Bagnold's *The Happy Foreigner* was published in 1920. It is a novel whose immediacy and clarity of observation are matched by a no less precise ability to capture emotion. Returning to it now - it is a book I have loved since I first discovered it 30 years ago - I find it as vivid as ever in evoking an extraordinary time in an extraordinary place.

It is the story of Fanny, a young Englishwoman, who goes out to France in 1916 to serve as an army transport driver. The first sentence of the novel identifies the moment of her arrival in Paris. "The war had stopped." And it is amid the battle-ravaged landscape of Alsace and Lorraine, as life just starts to creep back into villages and

BOOKS

Rereadings/Clement Crisp

Doomed love amid the ruins of war

towns, that Fanny works as a driver, and her love affair with Julien, a French army officer, is set.

The progress of their love is charted almost obliquely and with an acute sense of the tensions implicit in it. As Fanny and Julien see each other for the first time, Fanny notes every lean movement of his eyes and face. "These things were important. They were like the opening sentences of a great play to which one must listen, absorbed, for fear of

misunderstanding all the story". (When he asks for a first meeting, she agrees "and joined her hands tightly, for this was where the play really began.")

Wintery France, its battlefields and snowy countryside, become both backdrop and player in the action. It is the haunting and haunted nature of the locations - Metz, Verdun, the Ardennes, the miles of desolated land and the towns and villages slowly awakening to the first spring-like effects of peace - that give the book its pervasive, poetic,

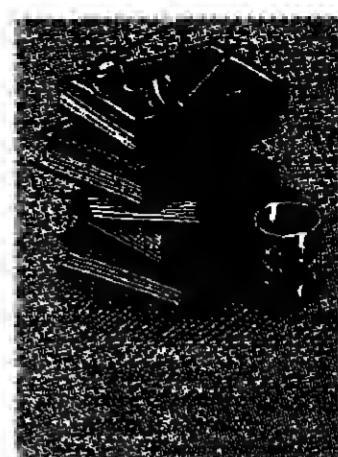
atmosphere. Verdun, a skeletal and uninhabited ruin, has an awful frailty, its semblance of preservation a mockery. Verdun stood upright as by a miracle, a coarse lace of masonry - not one house was whole. Perched on its great hill, it is a phantom town; beneath its mound military life continues underground in the "citadelle", with its 15 km of tunnels and sunken forts hollowed out during the Franco-Prussian war.

It is End Bagnold's allusive depiction of this wounded

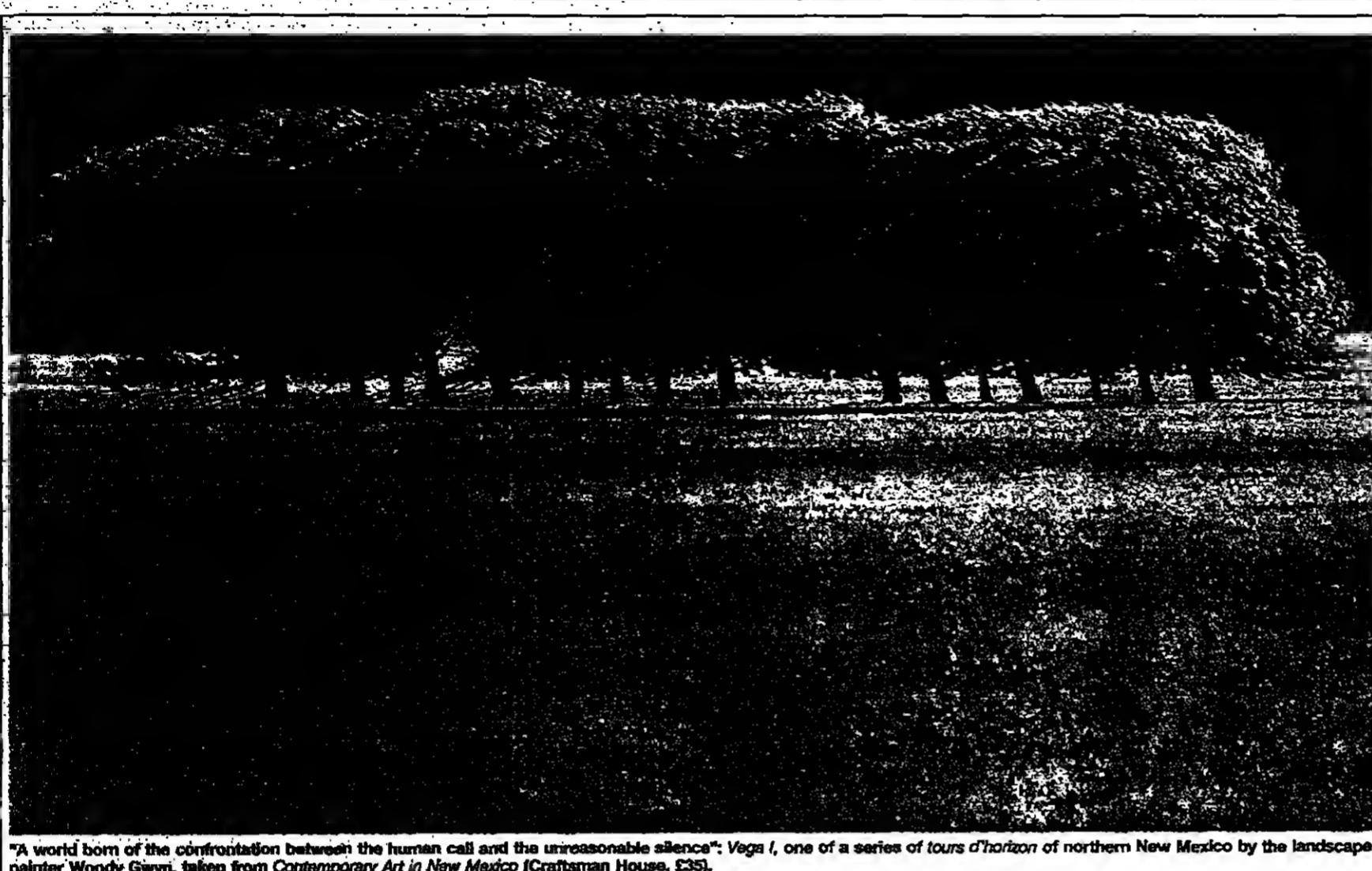
terrain, its population ranging from well-fed American soldiers to the scavenging relics of Chinese troops who inhabit the no-man's-land of the battlefields, and its civilians returning with the spring to re-awaken the land, that give the novel its almost cinematic precision. Cowslips grew in ditches and grass itself, as rare and bright as a flower, broke out on the plains... a furrow and elementary civilisation began to creep back on the borders of the national roads."

Fanny's love acquires a curious resonance from these facts. The promises of peace, the promise of a new life, mean that her relationship with Julian is doomed. Her love, which starts as the last shots have been fired, is a victim of peace. "Already", says one of her companion drivers, "our khaki seems as old-fashioned as a crinoline. It's time to go home."

For Julien it is also time to go home, to where, in the Ardennes, he shows Fanny a distant town with its factories



which are his inheritance. And Fanny, more perceptive than he, knows that she must go home too.



"A world born of the confrontation between the human call and the unreasonable silence": Vega I, one of a series of tours d'horizon of northern New Mexico by the landscape painter Woody Gwynn, taken from *Contemporary Art in New Mexico* (Craftsmen House, £35).

Popular poet of 'the few'

Karl Miller looks back at the idiosyncratic life of W.B. Yeats

Roy Foster, well-known as a social and political historian, is a master of the data, both incidental and essential, of Yeats's career. He discusses what Yeats "did", rather than what he wrote, so far as these two things can be disentangled. This first volume is about the public, as opposed to the poetic, Yeats. That is an aspect of its importance; there has been so much, and there will soon be more, about the poetry, with comparatively little about the rest of him. Here are the predecessors of the "60-year-old smiling public man" who figures in a later poem.

The book is a mine of information, of various kinds and calibres. The publishers are pleased to announce that it reveals that Maud Gonne may have had sexual relations with Yeats, after many years of living up to her scruples. Whereupon she was off again, marking it known that their bond was astral, not carnal.

Yeats was never for very long an "apprentice mage". He was a protege of Yeats, a fairly early enthusiast for magical lore and practices who became a seasoned frequenter of seances and consider of horoscopes. He grew up with nationalist sympathies amid a Protestant Ascendancy connection which had started to dissolve in the world, together with the Ascendancy itself. By the turn of the century, his pursuit of magic, his attention to a partly fictional Celtic past (there was also the sense, at this time, of an impending Celtic millennium), and his interest in a

national theatre interested in putting on his plays were a flourishing symbiosis.

He was also a Fin-de-Siecle, a friend of London's Decadents. Politically, he combined revolutionariness with respectability, and with reverence for aristocracy. A neo-Feminist rhetoric went with a participation in the cultural revivalism and "polite puritanism" favoured among the Irish well-to-do. He was a bourgeois patrician and dynastic Protestant who showed little taste for Catholics or their Church, or for the broad mass of his compatriots. So the national liberation which he called for and which later came about was always likely to prove, from Yeats's point of view, a mixed blessing.

A striking feature of the book is that the writings it quotes from Yeats-watchers tend to be at their most appealing when Yeats is being criticised, or when his intense idiosyncrasy is being evoked, an idiosyncrasy which included more than a touch of uniformity, a running to type. To one observer he looked "like a gross exaggeration of the idea of a Poet". A lot of Irish people didn't care for him, for his grand airs and his poetic plays. He was not personally popular in his own land, and he believed that he didn't want to be, he believed, not in "the people", but in "the few".

Yeats is quietly and judiciously admired. Roy Foster overdoes it, though, with the suggestion that the Council of the Irish National Literary Society is "superbly remembered in WB's Autobiographies as 'half a dozen young men who having nothing to do attended every meeting'". Too

sent out certain men the English shot and certain men who shot each other. She was the partner of a French fascist politician, Millevieu, and would speak his lines on the vileness and global threat represented by the Jewish race. Having swept from the theatre and taken the part of Ireland on the public stage, she saw as actionable the statement that she was English, which she was.

At one point there was a riot. "I dislike riots, & knew that a riot was inevitable," wrote Yeats. "Miss Gonne wanted to join in, but I refused to let her leave because I used to stay at a hotel where she was served by an unsmiling, senatorial silver-haired man, the poet's lookalike. I used to haunt the hotel for a sight of this doppelganger, who was known locally as William Walter Yeats. Such was the poet's fame in the 1940s. It is even greater now than it was then."

About mobs he was in more than one mind; they were at their best when they idolised Maud Gonne, to whom Lady Gregory once referred in the tones of some Gaeltacht vendette as performed by the players at her fledgling Abbey Theatre: "I don't wish her any harm, but God is unjust if she dies a quiet death." His sister Lilly spoke of troubles and disappointments endured by her brother - with "the infernal Maude through it all", through the whole thing.

What William Butler Yeats did for his first 50 years is, surely, almost all here. What did Jack do? The poet's brother is among the finest painters that Ireland or anywhere else has produced. Lilly has words to say about him too, and about his paintings: "his work is beautiful and his own. When we are all dead and gone

great prices will be given for them. I know they will." But there are not many other words about Jack in the book. What did his brother Willie think of him? Yeats's friendship with the Orcadian professor Herbert Grierson is discussed. Near Grierson's house in Edinburgh, where Yeats used to stay, stood a hotel where he was served by an unsmiling, senatorial silver-haired man, the poet's lookalike. I used to haunt the hotel for a sight of this doppelganger, who was known locally as William Walter Yeats. Such was the poet's fame in the 1940s. It is even greater now than it was then.

A key event in the Yeats publishing calendar is due from Oxford in May. Volume Two, 1898-1900, of the Collected Letters, edited by the distinguished Yeatsians Warwick Gould, John Kelly and Deirdre Toomey, to whose work Foster is indebted for items of research. The edition contains new material concerning the Gaelic authoress Fiona Macleod. Fiona was a persona - that of the Scotsman William Sharp in London - and some people were taken in by the impersonation. George Meredith, Fiona's "Prince of Celand", fell in love with her. Yeats, however, seems before long to have guessed or been told the truth about this intriguing correspondent of his. In 1898, Roy Foster records, he awaited Fiona at Auteuil, but she failed to emerge from her Celtic twilight. Like Maude, she had a way of being gone.

The moral of *The Big Picture* is, if in this imperfect world you really want to follow your preferred way of life, then murder your wife's lover and assume his identity. This is what Douglas Kennedy's hero, Ben Bradford, does. Trapped in the corporate world as a Wall Street lawyer he lives in Greenwich, the "natural habitat of the WASP". He had entered the regiment of Brooks Brothers-suited partners and executives adhering to the principle that money means freedom. He finds that freedom is restricted by commuting to NYC on the Silver Bullet in order to mint the cash.

Kennedy writes an accomplished, fast-moving, amusing mystery thriller. He has so much going on in his inventive mind he can barely get it all down on paper by the end of the novel. He airs prejudices disallowed by politically correct modernists: Bradford cannot abide "long-winded orotundities like Maher or Bruckner"; an Irish nanny is "about as personally fastidious as a goat"; and the fifth wife of Duke Dexter has enjoyed so many face-lifts that "there is a knot at the back of her neck".

Bradford's New York and Connecticut little local difficulties force him into the position of outsider. He finds a soul companion in his law firm's senior partner, Jack Mayle, the only Jew in a New England WASP establishment who fulfils his self-appointed role as "Hebraic outsider". Bradford's fate is to realise, while watching a Bible-thumping proselytiser on television, that he must be born again; thus the assumption of a fresh identity.

The magnetism of the book concerns whether or not he succeeds in the details of his survival plan. He has to migrate westwards, to Montana, but not as far as Seattle described by a knowing small-town journalist as "Yuppie Central. Eighty-two different kinds of coffee, aerobics, and where they force-feed you on sun-dried tomatoes." Before settling on Mountain Falls, no more than a large, gossipy village community, he wanders as a true outcast on the interstate system like some motorised Flying Dutchman.

The Big Picture is a rich delight. Kennedy is a discerning writer, adept and witty. There is something of these qualities in Alan Isler's four stories of *Op Non Cit*. His is the well-worn theme of the Jewish outsider and he involves in his story-telling the work of great writers: Shakespeare, Bacon, Coleridge and Wilde.

The first story gives a revised version of *The Merchant of Venice*. Shylock is the narrator and in a fascinating turnaround,

it is Antonio who proposes the bond, and Shylock, the reprobate Jew, who is forced into the affrontary of suing a noble Christian merchant. It is a tale of prejudice and victimisation. Isler, expert with word and image, is affected by Shakespeare's language: Antonio's "argosies were big-hulled on the flood, filled with rich silks and precious spices. In every foreign mart his scutcheon flew."

The third story is about an Atlantic crossing in 1881 to America. It is necessarily witty because on board, besides a wealthy Jew, David Gladstone, is Oscar Wilde. Although clever and entertaining, Isler's bitter conclusion about society in general, and the New World in particular, is that both Wilde and the Jew are

THE BIG PICTURE
by Douglas Kennedy
Abacus £16.99, 384 pages

OP. NON CIT
by Alan Isler
Cape £12.99, 196 pages

THE NATURE OF BLOOD
by Caryl Phillips
Faber £15.99, 213 pages

social outcasts without hope of redemption. By the end of the novel the message is clear, the deracine Jew of the diaspora is in a serious predicament of alienation and persecution.

It might be said that, by now, at the end of the 20th century we are nicely conscious of this fact, but Caryl Phillips continues to dwell on it in an unsatisfactory, disjointed novel which cuts principally in and out of two different stories: that of Eva Stern, a young Jewish survivor of the concentration camps; and a renegade African general hired by the Doge of Venice to command his forces against the infidel. The novel's framework is too obvious, the skeleton of its construction obtrudes through its prose. It is contrived: time shifts backwards and forwards are awkward, and Eva's camp experiences are often described in abrupt sentences which disrupt the flow of the writing. In any case, Eva is a composite representative of camp survivors. Her tale has been told elsewhere, much better, by people who suffered in fact, and the African general's has been told by a different and much more distinguished voice.

The themes of prejudice against the isolated Jews and that against the displaced African, are old and repeated ones. There is little new in *The Nature of Blood*; and the conviction remains that there is no equation of prostrated, suffering Jew and abused African Black.

Some Western civilisation's most cherished beliefs are questioned in the astonishing bestseller

THE HIRAM KEY
CHRIS COOPER KNIGHT & ROBERT JAMES



'A breakthrough book. The last four thousand years are never going to look the same again.'

GRAHAM HANCOCK author of *Fingerprints of the Gods*

NOW OUT IN ARROW PAPERBACK



A division of
Random House

DON'T MISS THEIR NEW HARDBACK
THE SECOND MESSIAH

which reveals the extraordinary truth behind the Turin Shroud

Published in April by Century



BOOKS

Male lust in a garden of Eden

But this dark story of childhood does not mean that all men are molesters, argues A.C. Grayling

Stanford White was a socialite architect in turn-of-the-century New York. His neo-classical style is recognisable in the arch that greets the eye as one approaches Washington Square down Fifth Avenue. In his own day he was famous for two things: for building Madison Square Gardens (his version of that Vanuatu of pleasure and pleasure was demolished in 1925), and for being shot dead, in scandalous circumstances, atop that selfsame building one summer evening in 1906.

White was a Romeo. His love-nests secreted in various quarters of Manhattan, one with a silken swing attached to the ceiling. The man who shot him, a deranged millionaire, had married one of his ex-lovers, an actress called Evelyn Nesbit. The murderer was obsessed by White, had indeed married the girl partly to feed his obsession. The scandal was that White had seduced Evelyn when she was 16 – below New York's age of consent – and had

a penchant for young women generally.

Suzannah Lessard is White's great-granddaughter. Brought up in a house on White's Long Island estate, Box Hill, she and her sisters had been subjected to sexual interference by their father, a composer of music. Her book weaves the two stories together. The beauty and delicacy of Lessard's descriptive prose, the unburdened unfolding of a menacing tale among the beauties of rural Long Island, link art and danger in peculiarly unsettling parallel.

This is, in effect, a story of Eden and the serpent. To the Eden of Box Hill, the paradise which is indistinguishable either the White family pleasure or Lessard's childhood, a serpent slithers in: a Freudian serpent in the shape, literal and figurative,

of male sexuality – dangerous, corrupting, spurring violence, silencing women.

The message is not restricted to two bad apples spreading rottenness in one particular barrel. It is wholly general. It is a claim about maleness: that despite the presence and influence of classical art, music and natural beauty, the cancer of male desire forever eats at the heart of things. Evelyn Nesbit said that Stanford White trembled when he sat next to her; Lessard says her father's eye wore a glazed, strange look when he touched her on the basement stairs. In Lessard's hands, the uncontrollable, ugly Dionysian chaos that male lust leers into Apollonian order and violates it.

But Lessard's tale would not have so much menace if its only

premise were the Andrea Dworkin-like one about the predations of male sexuality. Its other premise is the dream of childhood innocence and safety. Combine the two, and the darkness over Box Hill deepens.

THE ARCHITECT OF DESIRE
by Suzannah Lessard
Weidenfeld & Nicolson £19.99, 334 pages

Increasingly in the last two centuries, at first in the homes of the well-off but in our century in the west generally, childhood has been sentimentalised and romanticised. Adult nostalgia cocoons children from the facts of death, desire and struggle. In an attempt to offer them thornless roses.

Fortunately for most, who might otherwise suffer the greater shock of discovering what adulthood is, the chunky misinformation does not work for long. But such efforts to "protect" children result in many kinds of abuse. The abuse of being given a false view of the world, the abuse of being misinformed, the yet worse abuse of indoctrination in either or both a religion and a crippling hagiographic morality, constitute some of the deepest sources of dysfunction in adult life.

Sexual predation of children can have these effects, but it is a different kind of crime also. The betrayal of the powerless and incomprehending, the invasion of a vulnerable psychological and physical space, is abhorrent. This is as true when it is an elderly person being mugged as

when it is a child being sexually abused. Because childhood has become fairytale, and social maturity is so long delayed, the scope for anxiety is greater.

There is almost no doubt that even if the true rate of such abuse were 20 times greater than reported, ours is an age (and place) the west) with vastly less involvement by children in sex than ever before in history. But it is just as the pastures of childhood are being enclosed in this way that concern grows greatest: such is the logic of change.

One sees therefore how Lessard's experience seems to her a metaphysical disaster; and a frightened society agrees. But she goes too far in implying that her great-grandfather, her father, and the current social alarm, together prove that life is

a serpent-polluted Eden. The story she tells is one among many possible family stories; very poignancy is a mark of being (in the literal sense of the term) extraordinary. By making it emblematic she risks losing the calmness that all men as molesters.

"Body memory has a vision density that is like the bedrock beneath the shifting sands of narrative memory", she writes. "Yet its connection to fiction narrative is at best tenuous. This says that 'lost memory' vague associations, the subliminal hysteria driving the anxieties, support our fears about innocence and its corruption. It assumes a theological view of human nature, of haunting us, in which the spirit yearns to escape the humiliations of flesh. While the assumptions linger beneath Lessard's depiction of Box Hill as site of lies and danger, the peculiarity of her suddenly to be obscured by the generalities that Stanford White's garden represents all the world.

An actress with greatness of soul

This new biography of Peggy Ashcroft is altogether lightweight and couched in clumsy prose, writes Alastair Macaulay

Peggy Ashcroft was the kind of actress whose utterance of certain lines – "I am Duchess of Malfi still", for example – has branded theatregoers for decades. Unlike many other superb British actors, she also conveyed moral weight and, above all, greatness of soul. (Essay question: Compare and contrast Peggy Ashcroft and Maggie Smith.)

She was, of course, a skilled character actress too;

THE SECRET WOMAN: A LIFE OF PEGGY ASHCROFT by Garry O'Connor
Weidenfeld & Nicolson £20.
236 pages

but character alone could not content her. In the 1960s, for example, when she had been acting professionally for almost 60 years, she would sometimes make brief appearances at galas in the guise of Lillian Baylis – whom she well remembered from her own days (1932-33) at the Old Vic, when first tackling Imogen, Rosalind, Portia, and Shaw's Cleopatra. It was an astonishing, funny, reincarnation; but what made it rare – and, for us, joyous – was the way Ashcroft caught Baylis's missionary fervour.

Nothing less than "greatness of soul" was what so distinguished her Oscar-winning Mrs Moore in David Lean's film of E.M. Forster's *A Passage to India*: a transcendent performance, in a role that addresses transcendence. And in her accounts of perhaps smaller-spirited characters it was the spiritual dimension that made these matter. We are lucky that the screen has recorded her Barbie Batchelor in the series *The Jewel in the Crown* – the greatest piece of TV acting I have ever seen. The piercing problems of

English class-inferiority, sexual disgust, and imperialist doubt that Barbie experiences were surpassed by the crisis of soul and faith through which she passes, a crisis that Ashcroft made all-encompassing.

The screen has also recorded what may have been the greatest of all her stage roles, Queen Margaret in the Royal Shakespeare Company's *Wars of the Roses*, as whom she passed from sensual and precocious adolescence, by way of horrifying warrior-queen cruelty, to an eventual madened old-lag misery in which rage and misery co-exist in something close to Sibylline wisdom.

Garry O'Connor's new biography of Ashcroft, *The Secret Woman*, will not do. That O'Connor directly addresses the matter of Ashcroft's innumerable love-affairs and probable promiscuity need not be a problem. This side of Ashcroft's life has long been the subject of theatrical gossip, and it was time for someone to place that openly in context of her noble artistry and career.

But O'Connor's book is altogether lightweight. He lacks the sense of proportion or seriousness to be judicious about Ashcroft, or about the changes in British theatre and world theatre which she helped to advance. He is especially gauche on Brecht, Beckett, the theatre of the absurd, and Pinter; but he also demonstrates no proper sense of just how British theatre – thanks to such people as Baylis, Laurence Olivier, Peter Hall, and others, including Ashcroft herself – changed between the 1920s and the 1980s. (He also thinks that the impossible role of Ophelia, which John Gielgud has rightly observed is uniquely difficult, may have been "somewhat of a pushover" for Ashcroft.)



Peggy Ashcroft: her roles onstage were often the most real and important part of her life

Hulton Picture Library

The Desdemona she played to Paul Robeson's Othello matters less, to O'Connor, than the affair she and Robeson (both of them married) had offstage. This is unfair to Ashcroft, for whom life onstage was often the most real and important part of her life. For O'Connor, however, the most important question about each of her leading men is: did she get them into bed? He mentions neither her delivery of "I am Duchess of Malfi still" nor her impersonation of Baylis. Of her first classic film role, the crofter's wife in Hitchcock's *Strangers on a Train*, he remarks only on the perfection of her Scots accent. He brandishes the word "nymphomania" frequently, without ever showing us that it may have been justified.

Ashcroft worked hard to serve the eloquence of great authors, and it is sad that she is here treated in frequently clumsy prose. I had to read several sentences several times to make sense of them. Such as: "Suss, played by Matheson Lang, whose cousin Cosmo was Archbishop of Canterbury, ultimately moved to powerful grief over Naemir's death, avenges himself with the death of Württemberg and at the same time achieves his own ruin." Or "After she had managed to overcome her

deep and instinctive aversion to the cinema, during the television version of *The Wars of the Roses*, she did in fact gain greater popularity than one had ever supposed she could by playing three elderly women on film, all – to show the typecasting that old age brings with it. English women either visiting India or in exile there."

Yet these are little worse than his attempts at high eloquence. For instance: "Vera was his cauldron of passion, deceit, his necessary volcano on the edge of which he could sit and reflectively pull on his pipe." Some names (notably Glu-

sepp) are misspelt; some personal pronouns are misapplied. There are numerous self-contradictions. On page 27 (covering 1931), he tells us "She had simply no rivals in the theatre". Then, on page 85 (the year is 1949), "While, in retrospect, she might be seen to have greater potential than other actresses of her age and background, such as Diana Wynyard or Celia Johnson, there was yet little to distinguish her from them." Finally, on page 198, Celia Johnson is called "her old rival". Ashcroft's life and art had their own contradictions, but they deserve better than this slapdash affair.

Only the names of fashionable hangouts and designer labels are documented with slavish meticulousness. While this preserves the voyeuristic immediacy of eavesdropping on the rich and beautiful, Bushnell's glib evasions become wearisome.

The book is given a loose narrative framework by the picaresque experiences of a woman called "Carrie" (a pretty obvious pseudonym for Candace) if you ask me) with her bosom buddies and her almost-boy friend "Mr. Big". These episodes are engaging in their self-consciously smart humour: the chapter called "Manhattan Psycho Moms Go Gaga for Goo-Goo's" is a hilarious tale of what happens when your friends when they marry and have kids.

But Bushnell is at her best when writing in the first person about a specific subject. In one chapter she vividly describes a night at a couples-only sex club (it is predictably unarousing), and in another she conducts an all-male seminar to find out why men like the idea of sexual thrashers (which is just predictable, really, but entertaining reading).

Bushnell is not in the business of serious socio-sexual

Sexual mores in Manhattan

The poor and the attractive of New York are presumably still having sex, but you wouldn't know it from Candace Bushnell's anthology of her people watching newspaper columns, *Sex and the City*.

Bushnell's beat is the social whirl of gilded butterflies flitting from bar to party to bed. Everyone is beautiful, everyone takes drugs, and everyone is unhappy. The women want to find love, while the men want to bed models, preferably two at a time. This, according to Bushnell, is a symptom of living in the city. Sex in the Big Apple has gone rotten.

The echo of Armistead Maupin's *Tales of the City* in Bushnell's title is fitting. Maupin's fictional survey of the sexual mores of San Francisco began life as a series of newspaper columns where the names were changed to save embarrassment. Bushnell likewise disguises names and blurs events to such an extent that the supposed factual basis ultimately seems irrelevant.

Only the names of fashionable hangouts and designer labels are documented with slavish meticulousness. While this preserves the voyeuristic immediacy of eavesdropping on the rich and beautiful, Bushnell's glib evasions become wearisome.

The book is given a loose narrative framework by the picaresque experiences of a woman called "Carrie" (a pretty obvious pseudonym for Candace) if you ask me) with her bosom buddies and her almost-boy friend "Mr. Big". These episodes are engaging in their self-consciously smart humour: the chapter called "Manhattan Psycho Moms Go Gaga for Goo-Goo's" is a hilarious tale of what happens when your friends when they marry and have kids.

But Bushnell is at her best when writing in the first person about a specific subject. In one chapter she vividly describes a night at a couples-only sex club (it is predictably unarousing), and in another she conducts an all-male seminar to find out why men like the idea of sexual thrashers (which is just predictable, really, but entertaining reading).

Bushnell is not in the business of serious socio-sexual

study, though. Her book is too hip, slick and ultimate hollow for that. Detailing the woes and worries of the demi-monde, she plays that basest of emotions envy. After reading *Sex and the City* we can all console ourselves that money, look and a happening Manhattan lifestyle still cannot buy love. They are enough though, to get you healthily disguised of course – in Candace Bushnell's column.

Quite what qualifies one for inclusion in *Male Graffiti*, Richard Glyn Jones's anthology of "sex

SEX IN THE CITY
by Candace Bushnell
Abacus £6.99, 223 pages

NAKED GRAFFITI
edited by Richard Glyn Jones
Indigo £6.99, 413 pages

tales from the cutting edge of fiction" is unclear. All the 20 tales collected here touch on sex or love in some way, but they share no the macabre or qualitative common ground.

There is nothing erotic in John McGivern's first-person narrative from a woman with AIDS, nor is Fay Weldon's story of a woman's hysterectomy at the hands of a doctor she once loved. Will Self's contribution is an uncharacteristically wistful tale of the end of a relationship, James Kelman's a despairing account of one man's adultery while his wife is giving birth. Martin Amis's a typically offhand story of literary obsession.

Several of these stories are disturbing, some are touching, and one or two are just plain awful. I have no problem with Richard Glyn Jones's introductory assertion that authors should be able to "write freely and openly about sex". But to rope together a collection of disparate and often inappropriate material under the heading of "erotic" seems disingenuous at best, a cynical marketing ploy at worst. If it comes to stimulation, I'll take the quick, chic thrills of *Sex in the City* over this any day.

Nick Curtis

Grudge-driven chip off the anti-apartheid block

Children of the famous seldom have an easy upbringing. This is especially so if your parents happened to be white South Africans working for the overthrow of the apartheid state.

For almost all their adult lives, Joe Slovo and Ruth First were on Pretoria's hit list. He was chief of staff of the guerrilla wing of the African National Congress, a white man who took up arms against his tribe, and then played a leading role in

the constitutional negotiations that secured their future. She was a journalist, an academic, and a campaigner against apartheid, who died in 1983 in Maputo, Mozambique, a victim of Pretoria's assassins.

Tough for Joe and Ruth hell for their daughters Gillian, Shani and Robyn, growing up in Johannesburg, in a world of police raids, conspiracies, and insecurity.

Shawn had her say with the film *A World Apart*. Now it is Gillian's turn to explore the past, her family secrets as she does so. Her excuse is that she was trying to exorcise the ghosts of her unhappy childhood. If in the process Slovo had offered valuable insights into the nature of South Africa, the struggle against apartheid, and rounded portraits of Joe and Ruth, the role they

played, it could have been a fine book. She doesn't. And far from sympathising with Gillian, it is difficult not to feel sorry for her parents.

Poor Joe. As cancer encroached, Gillian probed and pried. Poor Ruth. Killed by a parcel bomb, but not out of reach of Gillian's grudge-driven pen as she investigates her famous parents' past.

There was a turbulent, passionate relationship, forged when both were living in Johannesburg but strained when they went into exile. Slovo pursues her quarries as vigorously and successfully as the female detective who features in her crime novels.

She quotes from the letters her parents exchanged during the state of emergency in 1960, when Joe had been in jail. She draws on interviews with family friends, and during a visit to South Africa in the final months of

Joe's life, she confronts her father.

She has uncovered Ruth's affair with a Johannesburg businessman. She exposes her grandmother's own liaison. She reveals that Joe had a

EVERY SECRET THING: MY FAMILY, MY COUNTRY
by Gillian Slovo
Little, Brown £16.99, 282 pages

time left. For my own sake, not his, I needed to know".

"I bear no grudges", says Joe. His abdication of fellow whites infuriates his daughter. "What about me", she cries. "me with my murdered mother and my disrupted life... this was why I had come to South Africa – to face my grudges."

It is in Cape Town, not long after Joe's death, that Slovo summons up the resolve to confront her father, by then remarried and protective of his new wife. Gillian's attempt to explore the nature of his relationship with Ruth provoked a furious response. "I'm not going to tell you anything... it's my life".

"What gives you the right?", she angrily asks her. But Slovo persevered, clinical in her observation, remorseless in her pursuit: "Joe was dying. I had little

time left. For my own sake, not his, I needed to know".

"I bear no grudges", says Joe. His abdication of fellow whites infuriates his daughter. "What about me", she cries. "me with my murdered mother and my disrupted life... this was why I had come to South Africa – to face my grudges."

At last she corners him, at a restaurant, his frame shrunk, so ill he can barely swallow. "Opposite him, I registered his frailty." But she made the most of the opportunity. As she puts it earlier in the book: "I wanted him to cross the bar

FT BOOKSHOP

To order any books reviewed on these pages from anywhere in the world please call +44 181 324 5511 or fax your credit card details to: +44 181 324 5578

Cheques (UK and Eurocheques only please) can be sent to: FT Bookshop, BVCD, 250 Western Avenue, London W3 6XZ. E-mail: bid@mail.bogob.co.uk

Airmail Postage Rates: Europe £1.50 Rest of World £2.50

**EXAM
St. Margaret's @first
Teacher Reviewer M**

• A Level / GCSE all subjects
• Small group / individual tuition
• Tuition at College / University
• Also revision courses
• A Level / GCSE examination
Preparation The Bureau, Coram Building, 100 Newgate Street, London EC1A 7BE Tel: 0181 280 1411 or 0181 282 2222 Fax: 0181 280 1411

YOUR BOOK PUBLISHED
New Authors Worldwide
All subjects considered
A complete and professional service from manuscript to book design, typesetting, layout, illustrations, photographs, design, printing, distribution and marketing.
Over 200 titles published every year.
Books for schools, libraries, universities, government departments, business, industry, commerce, law, medicine, dentistry, nursing, accountancy, engineering, architecture, technology, science, technology, computing, management, psychology, education, geography, history, politics, economics, sociology, anthropology, linguistics, literature, philosophy, religious studies, law, criminology, forensic science, forensic psychology, forensic psychiatry, forensic pathology, forensic toxicology, forensic entomology, forensic anthropology, forensic odontology, forensic dentistry, forensic linguistics, forensic geology, forensic botany, forensic entomology, forensic toxicology, forensic pathology,

ARTS

Dressed to thrill for posterity

Antony Thorncroft discovers there is far more to fashion exhibitions than tailors' dummies

London Fashion Week may have gone, but fashion addicts have hardly had time to draw in their waists before piling into the less ephemeral fashion shows that have sprung up in its wake in London's museums and art galleries. The main event, the largest fashion retrospective in the UK, opened on Thursday at the Victoria & Albert Museum. *The Cutting Edge* examines the last 50 years of British fashion, a period in which fashion is celebrated as "the UK's most successful visual art form since the second world war," a claim that might irritate the nation's sculptors and TV commercial directors.

It is an opportune show for the V&A, a likely crowd-pleaser, and a providential introduction to the £2 admission charge. Visitors will hardly mind paying if they get for free such a visual treat as over 250 prints and accessories by all the big names of fashion, from Hardy Amies to Zandra Rhodes, Vivienne Westwood to Alexander McQueen. Not that visitors seem to mind paying anyway – attendances have increased at the V&A since the entrance charge was imposed.

The Cutting Edge is basically slight-of-hand and clever marketing. Virtually all the outfits come from the museum's own collection. Any gaps were filled through a request to FT readers, who generously gave sought-after outfit to the V&A's permanent collection, especially welcomed was a suit by Frederick Starke. Curator Amy de la Haye is still looking, notably for a pop art outfit by Osvaldo Clark.

The trouble with fashion is that it gives a very narrow view of the costumes of an era: ordinary people's clothes have rarely

survived in decent shape, while top couturiers' creations look as pristine as when first worn to a Queen Charlotte's Ball or to Henley.

Although the exhibition moves seamlessly through selected themes – from Romantic to Tailoring to Bohemian to Country – it is rather like flicking through the pages of *Vogue*. Still there are objects as beautifully crafted as anything made since the war in any creative field, notably Westwood's shot silk Waterfall gown, and a green and white sea-shell organza dress by Galliano.

The Bohemian section is fun, especially the menswear, like the cream Blazer suit worn by Rupert Lyett Green, and formal tailoring is enlivened by Tommy Nutter's horizontal stripes and

Paul Smith's invention of "smart casual". It is a pity that the work of few designers, apart from Jean Muir, is examined in depth, and some of fashion's essential accessories, such as knitwear and underwear, are dismissed. And the greatest fashion, or rather anti-fashion, development of the past 10 years, sportswear, gets scurvy treatment.

This is the kind of exhibition that the V&A should present. The museum was created to improve and promote British trade and industry, and for all the current bronchitis about British fashion, its export sales are still tiny compared with France or Italy. So all the tyro entrepreneurs and clothing manufacturers should tip along to the V&A smartish for some inspiration.

They might, however, wonder whether there is an exhibition designer who can come up with a more interesting presentation for such a show than just row upon row of tailors' dummies, however well hung.

Fortunately there is. The alternative display in London, *Forties Fashion and the New Look*, at the Imperial War Museum, is a much more fun event. It presents fashion against the exciting backdrop of the war and, with its mix of recorded memories, photographs and posters, film, photo-cards and atmospheric music – were pop songs even so romantic? – it makes the subject totally fascinating.

It also offers a grand finale –

the New Look, launched by Dior in 1947, and the cause of mass hysteria. The photographs of the poor of Paris, tearing New Look dress off a society woman, and the complaints of British models that their generous figures could never squeeze into frocks boasting a 17-inch waist, bring fashion starkly into its social context.

This exhibition has a strong message: that lipstick, powder and scent were front line weapons in the battle to boost morale; that the ingenuity put into looking smart, the legs smeared with gravy powder to replicate stockings, and to dedicate everything to the fight, the hankies embroidered "Careless talk costs lives" and the Jacmar scarves

with the slogan "Salve your rubber", united the UK as never before. Everyone was dependent on coupons; Princess Elizabeth had to get a special allowance of them to secure her wedding dress. Hardy Amies and Norman Hartnell were designing Utility clothing for everyone, which gave the nation a conformity in dress and a joint commitment that it has never since experienced. And it was clothing, rather than fashion, that sealed the bond.

If you have caught the fashion bug by now, there is one more show to visit, at the Royal College of Art, where there is an arresting display of photographs of the work of the designer Antonio. Anyone doubtful of fashion's status as an art form cannot question that fashion photography, at its most imaginative, makes the grade.

The Cutting Edge is sponsored by Mulberry; *Forties Fashion and The New Look* by Parfums Christian Dior.

Sexual
tires in
inhatta

At work with Turner

William Packer visits the Clore Gallery

The long yet still continuing sequences of study exhibitions centred upon the water-colours of the Turner Bequest, now held by the Tate on Millbank along with their attendant publications, has been one of the triumphs of recent art scholarship. Yet so rich is that source and unremitting that sequence, we are inclined to take it all too much for granted.

But the event confounds the prejudice and this latest exhibition given to what the Clore calls the "Water-colour Explorations"; it is possibly the most visually exhilarating of them all. Though it fills the usual two rooms, it seems smaller, or at least less dense, and is simply hung in related groups. And what we see quite takes the breath away.

There are more than 19,000 works on paper in the bequest, falling more or less equally between those in sketch-books and on separate sheets. Some 90 years ago, an inventory was made of the whole lot by Alexander Finberg, whose classification of it into 365 distinct categories still stands. Three



Detail, Kent: we see these marvelous water-colours as masterpieces, whereas to Turner they were simply a practical means to an end, and done back at the studio rather than on site

Opera Tosca saves the day

Wednesday's performance of *Tosca* was the 355th at the Royal Opera House. Puccini has been unexpectedly fortunate there, since upwards of 200 of them were probably planned to be quite different operas. Every time a new production is cancelled, it is *Tosca* that comes out of the wardrobe to take its place.

By shuffling a cast of singers and conductor, most of whom have proved themselves in *Tosca* at Covent Garden before, the Royal Opera has managed to rustle together an able and well-sung, if not especially stylish revival – with one significant newcomer.

THE JOHN DAVIES GALLERY, SWINDON, WILTSHIRE. GILES 1985 TWO-PART
EXHIBITION OF WORKS BY THE
LONDON ARTIST AND LITERATE, AND A
"WHAT'S END SEAS". March 10th - April
30th. Colour Brochure on request.
Tel 01458 431665. Fax 0834 777

ANCIENT CIVILISATIONS. Art & Archaeological Museum featuring
Ancient Egyptian, Roman, Greek,
Chinese, Roman, Indian etc. £50.
£1,000. Antiquities. 0115 952 1140 for
full catalogue or to visit.

PARTY BOOMERS. 5PM. Annual
Exhibition. 13-14 March. Daily 10.5. The
Mall Galleries. The Mall (NE Academy).
Adult £10. Children £5.

Performances continue until
March 20.

Richard Fairman

The varied and shifting

citation, and – if she was a touch more individual – could raise herself from being an extremely confident Tosca into a memorable one. Sergey Lebedev's Scarpia certainly has a distinctive edge, thanks to a combination of his superbly focused baritone and a way of singing that never ceases to sound 100 per cent Russian. Unfortunately, Keith Olsen sounded tired as Cavaradossi. Anything in the tenor's music marked to be sung quietly came out dry and lacking in bloom. Francis Egerton's creepy Spoleto and Eric Garrett's homely Sacristan are long-standing features.

One would think the Royal Opera orchestra could probably play *Tosca* in its sleep by now, though that does not mean we want them to try: there were several points during the evening when the ensemble came way adrift, as though concentration was slumbering. Despite Edward Downes's conducting, which finds any amount of gory, melodramatic colour in Puccini's score, it was that kind of evening.

Richard Fairman

The varied and shifting

of his time, could not acknowledge what we now know to constitute the essential greatness of his art: it does not follow that we should not admit it. The scholar may cavil, but we are entirely free to relish these things for their splendidly intuitive abstract quality and strength. The "finished" Turner water-colour

would come later. And yet, and yet... these things as they are, a smudge and a smear, light against dark, mass poised against space, a flurry of activity checked by the broad calm sweep, are the very stuff of painting as we have come to know it over a century and a half. And just because Turner himself, the creature

of his time, could not command our interest and admiration, but here it is the study that reveals his true, essential greatness as an artist.

We are left to ponder the mystery, or the nonsense, of the great unwitting artist achieving intuitively what he could not recognise, surpassing by a momentary virtuosity touch the subsequent

labour of many hours. The view across to the dome of the Zitelle caught in the morning sunshine with a flick of the brush: Rochester Bridge a sweep of warm dark arches against the light Land's End but a stormy swirl of black and grey and yellow ochre: St John's and Trinity no more than two pale blocks, warm and cool, disappearing in the haze. He surely must have known what he was up to. He must have known its worth.

Turner's Watercolour Explorations 1810-1842: The Clore Gallery, Tate Gallery, Millbank SW1. until June 8, then to Southampton City Art Gallery. Sponsored by Magnox Electric.

Radio/Martin Hoyle Wisdom and colour

What a good series *Messages to Myself* has turned out to be. Last night's dip into possibly the world's longest diary (20 million words covering 70 years) was, like its predecessors, stimulating, touching and immensely well-likable; this in an age when the confraternalism is the media's accepted norm. Edward Robb Ellis – happily, still vigorously with us, as are all the series' subjects – is an American journalist. Articulate, literate, with the journalist's eye for the telling detail and the writer's gift for analysis and startling conclusion ("every great fortune in America was founded on robbery"), he is patently a good egg.

He liked Truman and still respects the confidence of that president's off the record verdict on Senator Joe McCarthy ("that blankey blanket blanky blanky blank"). Opposed to "plasticised patriotism", the diarist is stirred by the empty evocativeness of Ellis Island, that clearing house for millions of immigrants, hopeful or bewildered, seeking a new life. His account of his and his wife's shouting out their ancestors' names in

deep moving.

He counts his blessings, remembers singing with Irving Berlin, smoking grass ("an extension of therapy... mature individuals will stop at pol") and reflects on the simple and terrible truth that one sign of mental health is the ability to love.

A widower, he quotes the Torah: "The highest wisdom is kindness"; but, like Chaucer's poor clerk of Oxford teaching Christ's rule, you feel that first he follows it himself.

This year's *Reith Lecture* sparked a hullabaloo before Professor Patricia J. Williams opened her mouth. A black American woman speaking on race seemed the ultimate in the BBC's Americanised political bandwagon-hopping. It must be said that the pleasant speaker has the tunnel vision of all Americans who speak on race; that is, she speaks on colour.

The varied and shifting

overlapping and jarring emphases of culture, language, nationality and religion, morality, taboos and social priorities, that contribute in complex permutations to racial tensions in the old world are worth deeper and broader probing than this aggrieved realisation of the politically correct is not enough.

For a European state suspiciously uncomprehending of Europeaness, a group of small islands fragmenting along some lines or other (racist? national? cultural? how do they differ?), this is a wasted opportunity.

Not to belittle the struggles of black Americans, but Archbishop Tutu said a great deal more about black and white, in all senses, talking to Trevor MacDonald in *Paths of Inspiration*. The first black – and therefore illegal – Archbishop of Cape Town was forbidden to live in the official

residence. The South African government refused to acknowledge his Nobel Prize, acting just like the communist Poles to Lech Wałęsa, he notes with characteristic mischief. Like his president, Tutu is staggeringly free of bitterness. He spends his energy accentuating the positive in which even England features – when a queue-jumper was slapped down in Tutu's favour by a bank cashier, "I grew inches".

From the world's obsessives and deluded, *That's History* looked at romantic fixation starting with the spell of Carmen. The Greeks recognised the phenomenon of pestering the beloved; they had a word for a "love song sung outside a closed door".

The writer Stephen King puts detective on to his stalkers; in the case of a particularly persistent woman he has details of her romantic life and menstrual cycle – the stalker stalked the watcher watched. Victims

extend from Olivia Newton-John (ordinary enough to be the girl next door) to King George VI who, according to one obsessed woman, sent coded messages to her with the manner of drawing the curtains at Buckingham Palace. Today she would be a highly paid reporter on The Sun.

TRENT MAASTRICHT
INTERNATIONAL
FINE ART AND
ANTIQUES FAIR
8-15 March
MECC Maastricht
The Netherlands
Information:
The European
Fine Art Foundation
Tel +31 73 514 51 05

**THE DUKE OF YORK'S
HEADQUARTERS, CHELSEA, LONDON SW3
12-18 MARCH 1997
CHARITY GALA EVENING 13 MARCH
TICKETS TEL 0171 825 4243
OPEN 10AM-10PM CLOSSES FIRST DAY AT 9.00PM
THURSDAY 13 MARCH AT 5.30PM LAST DAY AT 6.00PM
PERIOD DINNER 14 MARCH
ORGANIZERS TEL 0171 730 6736**

**ST. JOSEPH'S
HOSPICE
MARE ST. LONDON E9 4SA
(Charity Reg. No. 23132)**
Since 1905 we have shared the grief and eased the pain of countless suffering souls. Last year alone 980 found peace with the help of your vital gifts. Most of them died of cancer – but so surely that you would hardly know. Your concern is as encouraging as your generosity and we thank you for your inspiring trust.

Stater Superior.

**8th
Chelsea
Antiques
Fair**
Chelsea Old Town Hall
King's Road, SW3
March 12-22
49 leading UK exhibitors offer
Authentic Antiques pre 1860,
furniture pre 1820.
Open Wed 12th 2pm - 9pm.
Thereafter: Weekdays 11am - 9pm,
Weekends 11am - 5pm.
Last day 11am - 5pm.
Adm: £5 incl Catalogue & Tea-Bar.
Enq: 0171 551 1980



**Robson
New Drawings**
The Exhibition opens Wednesday 12th March - throughout March
Human feelings are common to us all and it is to this part of our emotions that art most readily appeals. Zane Robson's ability to portray feeling within her work is probably the reason for her popularity.
In this collection of Zane's latest drawings, the figures are sculpted-in. Pencil, ink and charcoal meet soft edges and textured application in spontaneous response to the human spirit she finds within her subjects.
There are fifty works available in this exhibition.
Prices from £75-£4500
Fully illustrated catalogues available @ £5.00 inc p&p
DAVID MESSUM
8 Cork Street, London W1X 1PB Tel: 0171 437 5545
Opening Times: Wednesdays 10am-6pm Saturday 10am-5pm

ARTS

There comes a time for reappraisal in every creative person's life, and Sir Denys Lasdun, now an octogenarian, seems to want to carry out his own reassessment of his career in public. It is, of course, difficult for an architect of his years and achievements not to be an honoured public figure, and his buildings are the concrete manifestations of his soul searching. The small retrospective of his life's work at the Royal Academy in London until March 16 is worth slipping into after you have absorbed the angular richnesses of Bruegel's last canvases.

Lasdun has lived through it all: the rise and rise of modernism, countered by the surge of affection for conservation of the past; wartime experiences in Europe; a flirtation with new religions and philosophies; and immense social changes. In the post-second-world-war years, like other architects of his generation

he had great opportunities to shape people's lives. There was public housing, there were new publicly-funded universities, a new National Theatre, and endless new schools, new towns and new hospitals. After 1945 it was going to be a brave new world.

Lasdun's own architectural world was also brave. And now, in a recent talk he gave at the Royal Academy, he wants us, the public, to join him in his own reassessment and to see him not as some monster imposing solid concrete visions on our sensitive cities, but as an artist dedicated to making spaces that both extend the city and enable citizens to engage with each other in a larger realm. He

wants us to feel, as we walk about in the National Theatre, that we and the actors are subliminally experiencing the worn stone terraces of Epidavros, that we are back with the Greeks, in a realm where the drama was a part of civic life.

The problem with Lasdun's buildings is that they can be hard to love. They are challenging and strongly individual while still being part of a general stream of modernism. There would have been no Lasdun if there hadn't been a Le Corbusier. The National Theatre is an enlarged version of Le Corbusier's Domino House diagram: horizontal slabs

of concrete supported on concrete vertical posts. Corbusier broke away from load-bearing walls and made it possible to have buildings without facades. The principle is the same whether it is applied to the horizontal layers of a National Theatre or to a multi-storey park.

This way of building works well in poured concrete - a material that is inherently ugly to look at, weathered badly and is unfriendly to the touch. Lasdun's vision of the National Theatre by the Thames is as an outcrop of stratified rock, layers of the earth miraculously exposed and raised above the water table. But it is all something of a myth, as Lasdun

admitted at his Academy talk: "My myth encapsulates the notion of the city as inspiration, architecture as instrument." No one, except Lasdun, is quite sure what this means. He is on surer ground when he aims to remind us of Greek theatre with his sweeping circles of seats in the Olivier auditorium.

There has been a lot of fuss about the alterations that are currently being made to the National Theatre, which are mainly designed to make the entrance more recognisable and easier to find and use. Some people find the NT hostile and forbidding from the outside and efforts to make it appear more welcoming are not as sacreligious as the architect

apparently feels. Almost everyone loves the interiors, especially the soaring foyers and the views from the building.

But it might have been a better building. It is interesting to see the model of the theatre at the RA, which is not the theatre as built, but the model for the original combined theatre and opera house scheme on the site immediately in front of the Shell Tower. This was a magnificent scheme and on a much better site.

Lasdun's headquarters of the European Investment Bank in Luxembourg, which was completed in 1973, is one of his best buildings. Ironically, it does

not relate to any constructed myth of the city, but relies successfully on its position in a spectacular natural landscape at Kirchberg, bounded by two dramatic ravines. It has a real grandeur and simplicity, and probably had a better budget than his publicly funded works.

The Royal Academy exhibition only occupies two rooms, which reflect the Academy's concern for architecture. If Lasdun was an elderly artist, his retrospective would have taken up more space. In fact Lasdun sees himself as an artist. His work does have sculptural quality and I, for one, was left wanting to know a lot more about his creative processes. Some of his buildings are wildly unpopular. Others are seen as slightly awkward old friends because they have strong characters: they stand up in a sea of mediocrity for what their architect believed in. The belief may not be universally shared, but they represent their time and can only be judged by history.

Monumental concrete

Colin Amery reviews a retrospective of the work of the architect Sir Denys Lasdun



A dwarf in Bermuda shorts with a gas mask and semi-naked women cavor at a Metal Corrosion gig which makes the western heavy metal scene look positively timid

Heavy metal hits the steppes

John O'Mahony reports on the phenomenal popularity of abrasive rock music in Russia

The audience was surging into the auditorium of Gorbunova Palace of Culture in riotous anticipation of the night's star attraction: the heavy-duty Moscow group "Metal Corrosion". A cross between the sounds of Megadeth and the sentiments of *Mein Kampf*, the band laces its trash-metal with a particularly noxious strain of rabid, guitar-prowled, three-chord Russian nationalism.

However, it is not just its music which has transformed the band into a Russian sub-culture legend. In the best traditions of the cult metal movie *Spiral Tap*, tonight's concert also features gyrating, naked young women, head-banging Hitler look-alikes and - the ultimate heavy rock cod-cliché - real, live dwarves.

But it was only when the band launched into the excoriating opening chords of one of its best known numbers, "Kill the Sunzerev", that the full, terrifying potential of the act was unleashed. The hall exploded into a mass of clenched, prehensile faces and writhing, leather-bound bodies. "When the brutish faces come down from the mountains," growled vocalist Borov, just to make it clear that "Sunzerev" is Moscow slang for dardie or ingub or Chechen "Russian gun should shoot them."

Just as jazz arrived in the Soviet Union in the 1950s as a free-flowing, decorous affair and exited in the late-1970s as something vibrant, mangled and radically transformed, this vast, raucous country has managed to take its

toll on that most resilient of musical genres: heavy metal.

Beside the excesses and aberrations of the current scene, western groups like Metallica, Guns 'n' Roses and Daf Leppard come across as little more than timid, tin-plated kittens. Russian metal - so now popular here among teenagers that it could be heard resounding across the battlefields of Chechnya - is characterised not by the crowd egged him on with a chant of "Hobbit, Hobbit, Hobbit..."

Heavy-duty groups cross the sounds of Megadeth with the sentiments of Mein Kampf

The music itself is so extreme that only the adolescent connoisseur could possibly distinguish between the varying degrees of abrasive, pounding guitar-fury while the fans themselves display a wide-eyed, unselfconscious devotion that western bands could only dream of. "I cannot find any music in this world that attracts me like this," booms St Petersburg metalist Sasha, 18, lounging outside Castle Rock, the city's metal mecca: "The rest is just rubbish and squeaking. Metal expresses everything that you want. For each question it has an answer."

Backstage at St Petersburg's Metal Attack Festival, the members of the popular "Doom" band

Great Sorrow were engaged in an elaborate grooming ritual. They have been at it for a good 10 minutes, like a gaggle of teenage girls, fussing over their copious locks, teasing out those problematic knots.

"Do you use hairspray?" I ask. There is a collective snort of derision. "Carbolic soap only," barks lead guitarist Andre.

One of the primary reasons for the rise of such a virulent strain of metal in Russia, Andre feels, is the total lack of any mainstream choice. The Russian pop charts, dominated by kitschy, saccharine dross like Na-Na, seem recently on Channel 4's Eurotrash, move more progressive fans towards the fringes. "People complain that Russian metal is somehow dangerous," says Andre. "But it is nothing compared to Russian pop music. That stuff could really corrupt the youth."

Much of Metal Corrosion's appeal springs from dissatisfaction with the uncertainty of reform and a nostalgia for simple totalitarian solutions. Bass player and main ideologue, Sergei Troitsky (aka "Spider") - once a candidate for the post of mayor of Moscow under the banner of the ultra-right-wing Nationalist Bolshevik party - feels that Russia's minority groups "need a strong hand," and holds the curious belief that if the government had just beheaded his song "Kill the Sunzerev" they could have avoided much of the bloody Chechen conflict: "We wrote it back in 1991," he says, "when the Chechens had just begun to steal our weapons. If the government had done

something then, everything would have turned out fine."

In general, while the main focus of western metal music is entertainment, in Russia heavy metal exists primarily as a means for young people to express their dissatisfaction with their lives, their lack of material prospects and to give vent to their rage against the chaos that is endemic in the new Russia. "In this huge country that is called Russia we have a very unstable situation in general," says Alexander Schlar, presenter of the metal radio show *Learn to Swim*. "Young people are trying to express this with the help of music. They are not listening to this music for fun or enjoyment. This music reflects the dark negative energy of their environment."

At St Petersburg's Metal Attack Festival, this negative energy was very much in evidence. As the first chords came clattering through the sound system, young fans began to perform pristine, terrifying sunrises into the cold, unyielding concrete floor only to spring up again unscathed to repeat the procedure, crashing down in a great tidal wave against the stage.

Afterwards, the band seem satisfied with the result: "Metal is just what Russian youth needs at the moment," says Andre, stripping off his vinyl jeans and tying up his mane into a bun arrangement until the next show. "With our music, fans can scream and jump around and get all of the fifth and nonsense of daily life out of their systems. Only then can they go home and sleep soundly in their beds at night."

Afterwards, the band seem satisfied with the result: "Metal is just what Russian youth needs at the moment," says Andre, stripping off his vinyl jeans and tying up his mane into a bun arrangement until the next show.

They were fascinating programmes, each well worth its 50 minutes, and they did have scientific aspects, for example the use of dendrochronology - the study of tree rings for dating ancient timber - which also crops up in this week's shipwreck story. In his account of the excavation of the Siberian ice

So why worry? There are two reasons. First, there now seems to be an over-reliance on the popular and easily assimilated: covering the waterfront involves the demanding as well as the entertaining, yet there seems much less sign of it these days. Equally important, it begins to look as though *Horizon* is being used as a fig-leaf to cover the BBC's nakedness in other parts. If there was a proper regular archaeology series, then *Horizon* would not need to spend so much time on the subject. If the BBC committed itself to the sort of serious and regular anthropology which we have only ever had from ITV in *Disappearing World*, then *Horizon* would have more time for the more difficult aspects of the sciences at which it has actually always covered the waterfront.

We know the BBC has the money: it can always finance more lottery programmes, more mindless sitcoms, more game shows. The argument for sustaining such material, maintaining the audience, and thus justifying the licence fee is obvious and understood, but only if the tricky and challenging programmes on technology, history, biology, and so on are also produced. Otherwise, why bother having a public service system with a licence fee at all?

We know the BBC has the money: it can always finance more lottery programmes, more mindless sitcoms, more game shows. The argument for sustaining such material, maintaining the audience, and thus justifying the licence fee is obvious and understood, but only if the tricky and challenging programmes on technology, history, biology, and so on are also produced. Otherwise, why bother having a public service system with a licence fee at all?

Native plays with native talent

David Murray reviews the drama on show at the Festival of Perth

The Aboriginal presence in Australia has become more and more articulate in recent years, and nowhere greater than in the theatre. Perth has its own Aboriginal Music Theatre Training Program, and there are many

similar courses elsewhere in the country. North American "Indians" and inuit have not made so much headway yet. Australia has been setting an impressive example.

At Perth I saw the aboriginal Yirra Yaakin company in *Ranumuk*, the first play in its "first ever professional program": premature, and not impressive. A promising basis for its plot - Aboriginal teenager adopted in infancy by rich white parents (that used to be Australian government policy) goes in search of his original

mother, and runs amuck - was grossly under-written, under-directed and dimly acted.

Fair better was John Harding's *Up the Road*, performed by Sydney's Company B Belvoir with six Aboriginal actors in its seven-strong cast - and the woe-faced seventh, a near dead-ringer for Jim Broadbent, was a lovely study in white gull and shy affection (Paul Blackwell). Irresistibly, though, one believed everybody in this plain, faultlessly naturalistic little play, set in a tiny state-supported Aboriginal

community, and revisited by a scion who has made good in the Canberra civil service.

What actually happens is not very different from the goings-on in Australian TV's *Home and Away*, though genuinely funnier - nor, to be frank in almost any "po' white" play from anywhere else. Everybody, Aboriginal or not, speaks fluent TV Americanese. But one never doubted that that was true-to-life; and as it developed, it took on delicately piercing Chekhovian depths.

Beat of all was *The*

Merry-Go-Round in the Sea, adapted from Randolph Stow's novel by Dickon Oxenburgh and Andrew Ross, and directed by the latter for his Black Swan Theatre, Perth's premier company. The whole production was of consistent quality:

stylised Western Australian landscapes painted all round the theatre-space, a notably deft, finely musical background by young Ian Grandage - a pupil of our *Endgame* composer Roger Smalley - and nicely contrived "movement" by Anna Mercer: from time to time the company

has to impersonate horses and amiable sheep.

Stow himself went to earth many years ago in East Anglia, and has declined to see any of the Australian adaptations of his novels. Surely he would have liked this one. The central performances are well-rounded and affecting, and beyond them Ross's whole production is a masterpiece of delicate sympathy. The single Aborigine is a looming, charismatic presence, as played by Trevor Jamieson: somebody must build a musical around him.



Faultlessly naturalistic character from 'Up the Road' by John Harding

COOMBELANDS RACING STABLES
Outstanding Flat and National Hunt racing prospects for sale now.
For further details or to arrange a visit to the famous training centre in Sussex please call Amanda Perrett
Office: 01798 875301
Mobile: 0410 075970

Sporting Profile

Australia's lethal weapon

John Perlman finds the confident Shane Warne back in menacing form and eager for this summer's tour

Could anything be less menacing? Seven tentative shuffling steps at walking pace, reminiscent of a small boy called up to face the headmaster at school assembly, then a brief bouncy little trot - two or three strides, no more - to launch him into the delivery.

It is what happens next, though, that makes grown men fear Shane Warne.

The ball might turn in sharply from leg, or hurry through suddenly from just outside off stump, or surprise the batsman completely by not doing very much at all. It might drift in slowly or it might come through fast.

All sorts of things are possible when Warne bowls and after Australia's crushing first Test win over South Africa at the Wanderers in Johannesburg this week, in which he took four decisive second innings wickets, it seems as if the possibilities are limitless.

Before this Test, some people had doubts. Torn and stretched ligaments in the ring finger of his right hand forced Warne to have surgery last May and while his team-mates toured Sri Lanka and India, he stayed at home. "There were stages when I thought about what would happen if the finger never came right," Warne recalls. "What would I do? How would I get by?" But as he sits with his feet up in the soft late afternoon sun there are not too many of those thoughts troubling Warne. No worries mate - nothing, at least, that a cold beer and a couple of cigarettes won't take the edge off.

"I was worried about the finger six months ago, but it hasn't been a problem lately," Warne says. "I feel like the ball's coming out of my hand pretty good, and who knows, maybe my finger might come back even stronger."

The Wanderers Test was important to Warne, and not just because it was his 50th for his country. The match presented an opportunity to put something right. Three years ago South Africa thumped Australia at the same ground, and Warne was fined for aggressively mouthed off at a batsman he had just dismissed.

What probably hurt most of all was the hostile reaction back in Australia. Sydney's Telegraph Mirror said: "If he can't control himself, if he continues to demean us by behaving in a way that makes Australians ashamed, they should stick him on the plane and send him home."

Warne concedes that he "behaved like a porcoshop" that day, but adds: "That's the only bad thing I've ever done on a cricket field."

Which is probably true, but even as he lays that to rest he finds himself talking about the one thing that seems to hit him most of all.

"A lot of people think I'm an arrogant sort of guy," he says. The way Warne tells it his countrymen regard arrogance as one of the seven deadly sins. "In Australia they tend to try and cut you down," he says, "you know the tall poppy syndrome. It's a little bit disappointing. I learned about two years ago that not everybody is going to like you, but that's their bad luck, and I'm not going to change. There's no way I'm arrogant. Confident? Yes, I'm confident."

In conversation, even on a tour in which the media demands and the "are you a natural blonde" type questions are starting to get to him a bit, Warne maintains a distance but remains friendly and polite. Those who insist that modesty is no pretence will testify to his loyalty to his roots. He keeps contact with club cricketers he shared pitches and beers with on the way up, and will probably renew similar friendships this summer in England, among cricketers he met playing league cricket in the west country. Current team-mates say

"It is great when your major genius has the team at heart".

that while he may be Shane Warne Superstar, he has always put the team cause first. "That is the mentality our team is built on," says wicketkeeper Ian Healy, "and Shane has been like that since day one. It's great when your major genius has the team at heart. When things aren't going right for him we always hear him helping others."

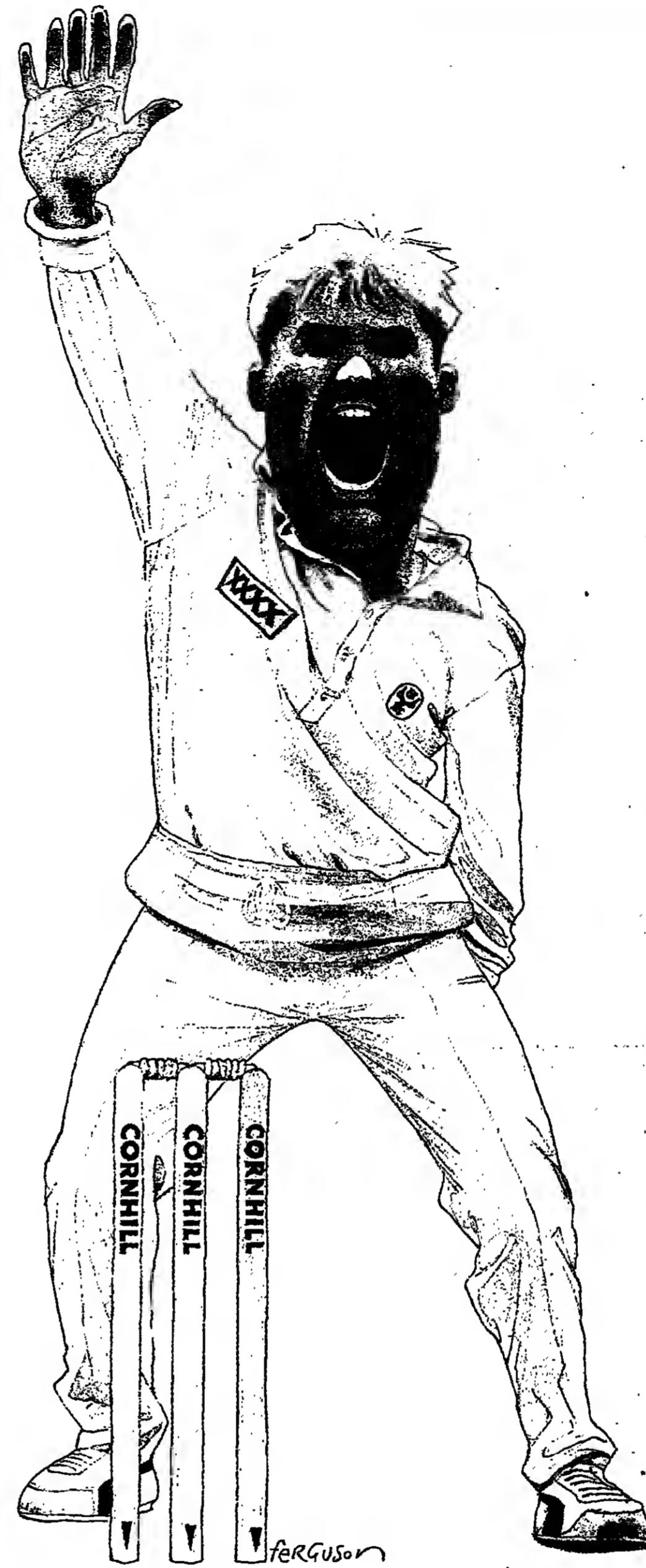
Healy believes the Australian team's all-for-one spirit took off some of the pressure when Warne returned to the Test side for the series against the West Indies in November. "The team emphasis that he puts on his game helps to make him relax," he says.

During that series some observers, such as former Australian skipper Allan Border, said that Warne did not seem to be quite the same bowler. Border said that Warne did not have the same ability to bowl a big rippling leg spinner. Warne insists nothing much has changed but Healy believes Border was close to the mark. "Shane can't give it a big rip six out of six," he says. "So he must pick the one where he is going to do

that while he may be Shane Warne Superstar, he has always put the team cause first. "That is the mentality our team is built on," says wicketkeeper Ian Healy, "and Shane has been like that since day one. It's great when your major genius has the team at heart. When things aren't going right for him we always hear him helping others."

Healy believes the Australian team's all-for-one spirit took off some of the pressure when Warne returned to the Test side for the series against the West Indies in November. "The team emphasis that he puts on his game helps to make him relax," he says.

During that series some observers, such as former Australian skipper Allan Border, said that Warne did not seem to be quite the same bowler. Border said that Warne did not have the same ability to bowl a big rippling leg spinner. Warne insists nothing much has changed but Healy believes Border was close to the mark. "Shane can't give it a big rip six out of six," he says. "So he must pick the one where he is going to do



Motor Racing

Fast drivers - slow cars

Formula One has been tossed into the Scrabble bag. It has been shaken more thoroughly than for many seasons past. Tomorrow, in the opening round of the 1997 grand prix motor racing season at Melbourne, we shall see how new players, not just pieces, start to take shape.

There is luck in Formula One, just like the board game, but the final outcome, almost invariably, depends on skill in deploying the pieces dealt.

Damon Hill, the British reigning champion ousted from his Rothmans Williams-Renault seat last season, will need heaps of both if his opening season with the Arrows team, now under the control of Tom Walkinshaw, the tough entrepreneurial Scot, and in effect a new enterprise, is not to end in obscurity.

Jackie Stewart, three-times world champion of the 1970s, is putting both Ford's and his own reputation as shrewd businessman on the line in launching Stewart Grand Prix, an F1 team with young and as yet still aspiring drivers.

So is Eric Broadley, at 63 one of motor racing's elder statesmen. His Lola organisation has won deserved fame in other fields of motor racing: sports car wins at Le Mans and many North American IndyCar championships among them.

Not least, so is Alain Prost. The diminutive Frenchman has bought the hitherto lacklustre team Ligier, recruited the support of Peugeot group chairman Jacques Calvet in acquiring the group's engines, and is taking French honour into the fray with as much enthusiasm, if not quite the expertise, of the current engine champions, Renault.

There is another big unknown: how fast will Schumacher be? not Michael, but Jordan-Peugeot mounted Ralf, his more extrovert younger brother?

As for Michael, the fastest man on the track, he is again struggling with a seemingly slow and unreliable Ferrari.

Appearances may yet deceive, however: under Schumacher's pressure, engineering and organisational shortcomings are being dealt with. Ross Brawn and Rory Byrne, the technical wizards who have defected from Benetton, are certain to accelerate the process.

And Hill? The Englishman is, using the kindest gloss, pragmatic. In testing, the Arrows has been far off the pace, its revised Yamaha engine improved but patently still power-starved and fragile. "The car itself is great," says Hill. "It's just a bit on the slow side."

Just how slow, sadly, is likely to be only too apparent when the mayhem starts in Melbourne.

John Griffiths

Racing

Galloping to Cheltenham

For thousands of Irish, the festival is still racing's golden temple, says Kieran Cooke

Next Monday lunchtime Dan Roddy, a civil servant in Dublin, will be packing his binoculars and form book and catching a charter flight across the Irish Sea. At about the same time JP McManus, high rolling gambler, horse owner and former bookmaker turned international investor, will be flying out of his base in Switzerland.

The Cheltenham horse racing festival is on again and Roddy and JP, along with thousands of fellow Irish, are heading like a congregation of migrating birds for the Cotswolds.

All next week, hotels and bars round Cheltenham will be crowded out by the Irish. There will be whispered stories about thousands won and lost, nods and winks about form and late night drinking sessions.

Roddy has been making the pilgrimage to Cheltenham for 20 years. "The Irish Cheltenham is the Mecca of racing. It's when rivalry is at its keenest between the

English and Irish trained horses. I know people who start saving for the next year's meeting the day after the last one. I'd come on a stretcher if I had to."

Last year Irish trained horses won a record equaling seven races. This year the Irish are favoured once again to win the Gold Cup, the festival's premier event. Imperial Call will be going for its second win in a row.

Ireland's economy has been galloping along faster than most others in Europe in recent years. And this economic success has led to winners on the race track.

"There was a time when the English were coming to Ireland and buying up all the good horses," says Roddy. "Now it's the Irish who have the money. Not only are we able to keep our good horses at home, we are also buying in likely future winners as well."

Roddy is a prudent gambler, carefully weighing the odds before putting £5 or £10 on a horse. But when JP, still in his mid-forties and known as the Sundance Kid

for his boyish looks and winning ways, puts his money down, the bookies' knees start to shake.

No one is entirely sure of the size of the wagers JP and his team place on individual horses. There is talk of £10,000 and £20,000 bets.

"We might have winners but we have plenty of losers as well," says JP, a quietly spoken man from County Limerick who admits to having his first bet when he was only nine.

The bookies say JP has become the main force at Cheltenham. The Irishman's bets can make a big difference to the odds. JP is also a leading owner. He had his first Cheltenham winner with Bit of a Skite in 1982. "I didn't know whether to celebrate or cry," says JP. "I didn't consider it worth backing." At this year's meeting the Irishman's horses are judged to be some of the more hopeful starters.

For JP there are two golden rules to gambling: beware of the certainty and

never chase your losses. Discipline is vital at Cheltenham where the heady atmosphere often results in normally level headed punters losing their shirts.

Dermot Desmond is an Irish entrepreneur and a close friend of JP's. He was one of the main movers behind establishing Dublin's international financial services centre. His investment company owns London City airport and he is a part owner of Glasgow Celtic football club. He also has interests in race horses.

"Cheltenham is an immovable feast in my calendar," says Desmond. "The great thing about national hunt, compared with the flat, is that it transcends all barriers. Everyone mixes. And there's the Anglo-Irish rivalry. It's like several England versus Ireland rugby matches being played out over three days."

There are those who feel Cheltenham, with its 50,000-strong crowd and traffic jams, is not what it was. The legendary poker games in the foyer of the Queen's

"Oh I couldn't do that your honour - that was my betting money."

BE HONEST. YOU NEED IT.

Health & Fitness & The Great Outdoors
Vets & Wild
ON SALE MARCH 7

JFH 150

OUTDOORS



Beginners' luck? At 4,000 metres, the slightly built Sherpas thrash the mountaineers in a game of tug-of-war

Humbled in the Himalayas

Martin Brice is brought down to earth when he discovers some real heroes in the Nepalese highlands

When my underwear froze, I knew what was going to be a tough trip. The Nepalese sunlight had flattered to deceive and within minutes of putting my washing on a tent guy rope there were icicles on the vest and socks.

I had no choice. The vest was the only one I had for the 29-day climbing trip around the Everest region of Nepal, so I had to unfreeze it. My body was the only source of heat to dry it. I had to wear it.

To laughter from the other dozen westerners, I removed the two layers of fleece I was wearing, put the vest on, and replaced the fleece. Thirty minutes later the vest was dry, but it was a long 30 minutes.

The thermal top was just part of my armoury of clothing that the latest in technology could provide - made by Helly Hansen in Norway, where they know about the cold. But at night, while I huddled inside a top-of-the-range £500 tent in two layers of fleece and two sleeping bags against temperatures of below minus 30°C, our porters were in blankets outside.

The porters, most of whom have probably never seen a car, were paid about £150 a day, perhaps twice the average Nepalese wage, to carry loads of up to 60kg. Each was loaned a blanket but they had no tents and often spent the night huddled under an overhanging rock. Occasionally, when the temperature reached the mid-20s below freezing, we were booted out of our eating tent after the evening meal so

they could have some shelter while we went back to our own tents.

These porters are the unsung heroes of Himalayan mountaineering, rarely mentioned in heroic dispatches from the big peaks. But without them and in particular without the Sherpa climbing and cooking teams that work with them, much Himalayan mountaineering would be impossible.

Trip leader and Everest summiter Jon Tinker, a director of OTT, the Sheffield-based company that organised the trip, left us in no doubt as to our status within the group. "You are at the bottom of the food chain. If things get really bad, you'll lend your warm clothes to the porters."

The implication was obvious: if it came to a question of survival, they could survive without us; we could not survive without them.

We started with 45 porters who carried all the food, tents and climbing equipment needed for 15 westerners, and a dozen Sherpas to travel for four weeks in sub-zero temperatures across an uninhabited wilderness.

We followed their unerring progress along rough trails to Mera Peak, at 6,500 metres, our first objective.

Unlike in the Alps, where mountaineers tend to be divided into two groups, the quick and the dead, Himalayan climbing is a slow business. We westerners, roped to our guides in case we slipped down a crevasse, plodded our way up to Mera high camp at 5,900 metres.

Meanwhile, our Sherpa cook team, who had brought us tea in our sleeping bags, cooked our breakfast and



Heavy burden: porters in Nepal carry loads of up to 60kg

waited for us to finish before we packed their heavy loads, nipped past us while we gasped for breath in the thin air. When we arrived they had not only put up their cook tent, but also our tents and had tea ready. That night they produced a delicious Sherpa Stew, made, we were solemnly assured by Kanji, their leader, from fresh Sherpa.

Just before the summit bid the next morning, Chris, one of our number, collapsed, a victim of the thin air and a nasty virus running through the group. I walked down the mountain with Tinker and Tendi, one of the climbing Sherpas, who were

looking after him. Once we were off the glacier, Chris, obviously tired and feeling the effect of the virus, started to wobble as we were carefully picking our way high across a boulder field.

Before I had a chance even to realise the danger, Tendi had whisked past me and put his arm round Chris to steady him on a particularly steep part. Had Chris fallen, Tendi would have gone with him. It was an astonishing combination of commitment, skill and bravery.

We moved on to our next objective, the Ampu Laftsa, a 5,800-metre pass that gives fine views of the Everest massif. We gradually

became more tired, and it was a daily struggle to get up, to get moving, and to keep moving. Even during the day the temperature never rose above freezing.

We lost our appetites, and it was hard to eat despite the astonishing excellence of the food prepared by our Sherpa cook team: they were real professionals, and no one suffered stomach bugs.

Four days later, going over the Ampu Laftsa pass included the hair-raising experience of being lowered 100 metres down a vertical rock face on a thin polypropylene rope controlled by Babu, our Sirdar (chief Sherpa). But since he has climbed Everest six times, I felt safe in his hands.

On the Ampu Laftsa he lowered the porters, plus their loads, and 12 clients and guides in an operation in freezing temperatures that took seven hours. It was exhilarating and despite the danger, we lost just a dozen eggs during the whole exercise.

Later in the trip he returned to our camp high on the mountain of Lobsche after supervising the departure of some of the group at the Lukla airstrip and completed, in one day, a journey that would take most acclimatised westerners three or four. A short man, he was a giant among us.

We celebrated the successful crossing with the highest tug-of-war in the world. Overshadowed by the gigantic mountain wall of Lobsche at 4,800 metres, the slightly built Sherpas and cooking staff thrashed the pots off us westerners who were, in some cases, almost twice their size. They won three

out of three "tugs", leaving us staggering and panting in the thin air.

Someone had obviously failed to explain the roles, foremost of which was since we were paying for this expedition, we expected to win. No chance. This was a humbling trip, in more ways than one.

That evening Tom Richardson and Morris Kittleman, two of our guides who have been touring the Greater Ranges for about 30 years between them, decided beer was needed.

Two lads were summoned from the cook team and were given about £60, with a request to go and buy some beer. For some people in Nepal, this represented almost six months' wages. The trusty pair reappeared nearly six hours later, with 25 bottles of beer that were consumed with gusto at our last supper together.

We were later to enjoy more adventures on other mountains, but perhaps none compared with changing into clean underwear in Kathmandu after 29 days in the wilderness.

At Lukla, where we parted from Babu, I gave him my binoculars as a gesture of gratitude. The few remaining porters shook hands with us and bid farewell, taking with them wages and tips totalling about £80 for a month's work. In a country where the average wage is \$200 a year, it was not a bad payment.

■ Martin Brice's participation in the Khumbu Climber expedition cost £2,595, with OTT Expeditions of 88 Nettleham Road, Shefford. Tel: 01442 555500.

Fred shrugs off coarse handling

Tom Fort renews his vows to a faithful, if ill-used, friend

The surgeon has done his work well. The fracture has been artfully tenderly applied. My old companion has had the best of care and, God willing, we will again venture forth to do battle.

But that can do nothing to expiate my crime, nor to diminish my guilt. The memory of that sunlit winter's afternoon, of the gross folly which so brutally truncated what should have been tranquil hours

catching chub, of the slamming of the car boot and the splintering of fibre glass - all that will remain with me, a vile addition to my catalogue of crimes

another of the shattered fragments of the rod slid from the bag and clattered onto the pavement. As the recriminations began to fly, the Irishman at whose guest house we were staying observed the scene of devastation and observed quietly: "Ah, 'is the first eight-piece trout rod ever seen in Connemara." I believe that this feckless brother learned a lesson that day.

I certainly hope so, for he recently celebrated his 50th birthday, and to mark the occasion was presented with a fishing rod which - were he to contrive to break it - would require him to cast out from the society of decent men.

It is an 8-ft trout, made from the finest Chinese cane by the prince of rod builders, Edward Barber. It is, quite simply, the best thing of its kind money can buy. Even among the non-angling element at the birthday lunch - sadly, a



hefty majority - its beauty provoked an admiring intake of breath.

As my brother posed with it, waving its miraculously slender tip at nervous elderly relatives, I felt none of the surge of envy normally provoked by the good fortune of others. The reason is that I already possess its twin. We have been together four years now; and apart from having lost its silver stopper twice, I have not yet let it down.

We have been happy together and so it was natural that I should turn to it for comfort in the immediate aftermath of the catastrophe with its fellow resident of my garden shed.

While the other was under the surgeon's knife, the Barber rod and I travelled to Gloucestershire. And a fine time of it we had, roaming the banks of that lovely chalkstream, the Coln.

The day, as befits late January, was chill and dank, and the water was dreadfully low thanks to the pernicious drought. But we managed to find some co-operative grayling; and what a solace it was to feel the cane flexing in my hand again. Driving home, I pondered my misdeeds and repented. And I renewed my vows to the rod beside me: till death us do part!

Gardening

Schemes with an eye on lost vistas

Sunday garden visiting is helping to pay for some important National Trust restoration, says Robin Lane Fox

The first spring flowers are well into their stride and before we stretch a season of garden visiting. Details of more than 3,500 gardens, mostly in private ownership, are available in the National Gardens Scheme yellow book for 1997, *Gardens of England and Wales Open For Charity*, now in bookshops at £3.50.

As you visit this extraordinary range of gardens in the UK, you will be assisting charities related to nursing. You will also be assisting the National Trust, which runs 110 of the most important gardens in the scheme. This year, the relationship between the two bodies will be nearly 50 years old and

the National Trust will receive £250,000 from the proceeds of Sunday garden visits.

The money helps to pay for special projects which might otherwise have a low priority. Twelve have been singled out.

One of the most welcome is in the historic garden at Glendurgan, near Falmouth, in a mild Cornish valley. By the 1980s, the superb displays of shrubs and trees had been savaged by gales and had started to look forlorn in places.

The Trust has put particular effort into raising the tone of the place and this year the Gardens Scheme donation is allowing it to make more of the garden's

most extraordinary feature.

In 1833, the garden's planter, Alfred Fox, crowned his grand design with a gigantic maze made of the glossy evergreen, Cherry Laurel, which earns a good word nowadays in this column. His grand design was such that the hedges take two men an entire week to prune. The Cherry Laurel grew seriously, especially in Cornwall, and the maze had to be pruned five times a year.

Its entrance and exit points are approached routes, which are more than three-quarters of a mile long. The Trust has been battling to restore this overgrown miracle.

Now it has set about the restoration of the thatched hut which stood in the middle and the building of a platform on nearby Manders Hill, from which the maze can be appreciated. Mazes look amazing when seen from above.

Two other famous sites are also profiting from improved viewing points, which overlook some of England's most famous stretches of landscape garden. At Studley Royal, in Yorkshire, there is an overuse programme to restore the height of Tent

Hill, from which you can see across to the lovely Half Moon pond and the river beyond. Studley Royal was laid out by a disgraced public figure: John Aislabie was Chancellor of the Exchequer during the disastrous South Sea Bubble. When forced to leave public life, he turned to landscape gardening and restored a great lustre to his tarnished reputation.

Tent Hill was set with trees on its top and space for a tent from which the views could be appreciated. Posterior turned the tent into a temple and allowed the trees to spread exactly where he had tried to exclude them.

They now run down the lower slopes of the hill and lead to the mounds of excavated soil that once the garden's finest views returns to its creator's original vision.

Near Bath, Dyrham Park has one of the finest landscapes of the 18th century to be seen anywhere in Britain. People often forget that in

1710 it began with a far from natural landscape, which was laid out to a grand formal design by the famous partnership of London and Wise.

Their scheme ran for nearly 30 acres beyond the fine Orangery which had been built in 1701. There is no plan to restore this lost masterpiece but the Orangery itself is to be restored and decorated with plants and furnishings suitable to the period". The idea is that visitors will stand at this formal point and be encouraged to imagine the lost formal prospect which originally ran beyond it.

When I last visited, the Orangery contained some spectacular pale blue plumage, which will now be reinforced with sketches and line drawings of the London and Wise scheme that once ran away into the distance. Dyrham is one of the outstanding landscape parks in the south-west and this new project will bring a neglected phase of its history back into the public eye.

The Trust's biggest new scheme is a bid for Heritage funds to restore the old Victorian kitchen garden at Tatton Park, near Knutsford, in Cheshire. This remarkable

garden owes its extraordinary variety to 300 years of ownership by the Egerton family. It even has a marvellous fern house and an astonishing replica of a Japanese garden. There are photographs and papers which give a clear idea of the Victorian kitchen garden, and the Trust's commendable aim is to restore it and to use it as a centre to train volunteers and other gardeners in the Trust in the more specialised arts of fruit and vegetable management.

The grant from the Gardens Scheme makes up the matching funding for the Heritage bid, which would fund an improvement to Chester's most spectacular garden and would also underpin the skills of other Trust gardens in this style.

The creators of these great gardens were usually inspired by ideas or visits to great gardens seen or reported elsewhere. Few of us could afford to think on such a crazy scale as their great schemes. We can, however, visit more quickly in our age of superior travel. Even the grandest are part of the compost from which our own ideas of garden style and design can germinate.



The National Trust is taking a bite at the overgrown Cherry Laurel maze at Glendurgan

Apply for:	INSIDER GARDENING A DAY OF LECTURING AND TEACHING BY ROBIN LANE FOX
JUNE 22 OR JULY 5 OR JULY 6 At New College, Oxford: 10.15 am to 4.45 pm	
LEARN, LAUGH AND OBSERVE	
To apply, send your name, address and preferred date (give second and third choices, if possible) and a cheque for £95 inc. lunch and parking, payable to R and M, 13 Gloucester Street, London S.W.1. Numbers are limited, but tickets and details, or returned cheques, will be sent within 7 working days of receipt.	



J. Morris

How to Spend It

Home from home – only better

From head-to-toe and floor-to-ceiling, a designer country hotel is born, finds Belinda Morris



Anne-Marie Williams, assistant manager, in head-to-toe Mulberry



Wall sconces will be available from the interiors collection

In a perfect world, the country house hotel experience would be something akin to staying at home, only better. It would be warm and inviting, with lived-in splendour and discreet service. But the reality is often disappointing.

Roger and Monty Saul, who own and started the Mulberry design label 25 years ago, have experienced such disappointment. Seasoned travellers, they have turned hotel-hopping into a personal crusade in a quest to find perfection.

Many top hoteliers, it seems, are hamstrung by the British Tourist Board star system. "It should be about a luxury experience, but instead it's about matching lampshades, kettle in rooms and solid wardrobe doors," says Monty Saul. So Charlton House, the hotel which she and her husband have

created, "won't qualify for a start," she says.

And on that basis she may be right. Charlton House Hotel, which opened last week in Mulberry's home town of Shepton Mallet, Somerset, is a careful study in insouciance. With the Mulberry Home collection at their disposal, the Sauls and their team have created a space that combines luxury and faded grandeur.

The paint is hardly dry on the walls, yet you would swear that flakes are already peeling. Floorboards creak gratifyingly underfoot and upstairs, though there is still a whiff of carpet glue, bedrooms look as if generations of monarchs have been there before. Ghosts cannot be ruled out.

The Georgian-fronted house, built in warm, sandy-coloured Doubling stone, dates back to 1830, when merchant Roger Ames built

the house for his bride. The manor of Charlton dates back to the Domesday book, Roman remains have been found locally and the Fosse Way is nearby.

"Four hundred years' worth of changes in architecture has been a real treat," says Roger, "because it has

meant that every room in the house has a different character and therefore there's been a chance to present our collection in all sorts of ways, and as eccentrically as I like."

Apart from the fact that for Roger Saul the move from leather accessories, to luggage, to clothing, to watches, furnishings and most recently to fragrance has been a steady and logical one, the temptation to present our collection in all sorts of ways, and as eccentrically as I like."

But while his business acumen is thinking profit and opportunity, the prospect of introducing Mulberry to a wider audience, is no less a passion. "It's the challenge," says Roger. "Whenever I go I look at property, and dream of owning, restoring and redecorating. I've known this hotel since I was 10. I came here for my first

grown-up meal and have always been intrigued by it. So when it came on the market I had to come and see it. It was naughty; I shouldn't really have done that."

Monty apparently felt the same. Roger was mentally leafing through paint charts

Bedrooms look as if generations of monarchs have been there before

and swatches of velvet and brocade while Monty viewed it with detached concern.

"I was dragged along, kicking and screaming, just to have a look" and kept saying no, no, no; you must be mad. But when I saw it I succumbed," she says. "A little light went on when the owner of the hotel met us at the door waving a fax in his hand. Apparently customers of ours were coming over from the Netherlands and wanted to stay, but he didn't want them. He was turning business away."

Coincidentally, a new salesgirl in the nearby Mulberry factory shop had phoned to report that in the two weeks since she had joined, 75 per cent of the telephone calls she had taken had been from customers wanting to know where to stay in the area.

Another light bulb flashed encouragingly. Wells and Bath, two of England's most popular tourist destinations, were a short drive away. That was enough. They bought it.

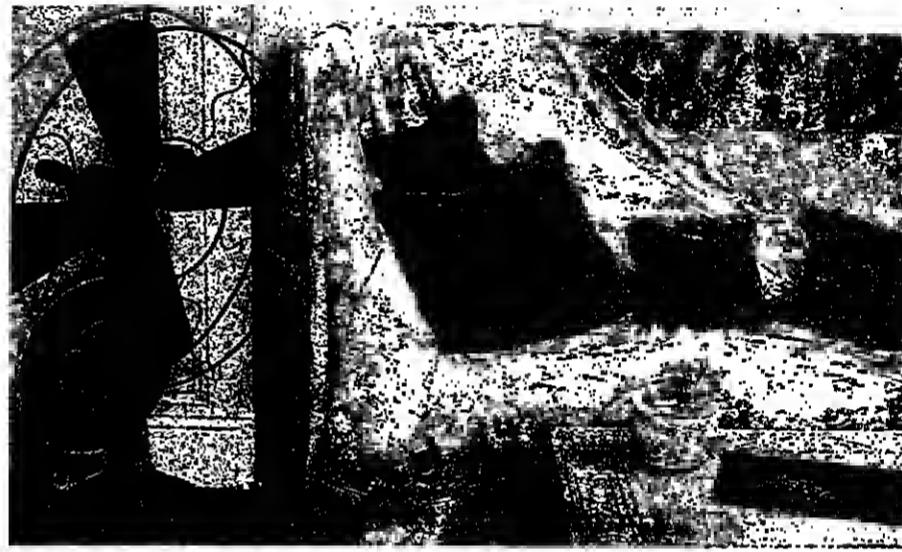
In four months Charlton House was transformed into the perfect expression of the Mulberry lifestyle. Four months to sweep away the matching polyester curtains and valances, the nylon net drapes ("so awful they were almost funny," says Monty), to create an interior and ambience that expressed the Mulberry values and standards.

"What we were hoping for was to give our customers a particular sort of experience – relaxing or magical, whatever they're looking for," says Roger.

"Designing Mulberry shops around the world was one thing but this was for real, the ultimate makeover," says Monty.

If you've ever so much as peeped inside a check-lined

One of the 16 bedrooms – all are different



Some of the rich Mulberry fabrics used on sofas, chairs and windows

that customers can buy, covered in fabrics of their choice. A sort of bespoke furniture service."

The staff are now in place (culled from some of Britain's more reputable, if not grand establishments); the chef busy, interpreting the Mulberry lifestyle into a menu with dishes such as "wild rabbit baked in bric pastry with lemon, garlic, thyme and oil" or "hot medjool date soufflé" – Charlton House is ready to receive its public.

"After the excitement of creating the house, the salutary thing now is realising the burden we have taken on," says Roger Saul. "We can't afford for it to go wrong because we're inviting people to live the Mulberry experience and they're either going to enjoy it or criticise it. Charlton House will be a very powerful tool for us."

■ **Charlton House, Shepton Mallet, Somerset: 01749 362008. Open from March 1 1997. Rooms from £55 to £250 for the Grand Suite. Nearest railway station: Castle Cary.**

The Financial Times plans to publish a Survey on

Merseyside

on Thursday, April 3

• The FT is circulated in 140 countries worldwide, with a readership in excess of one million people • The Weekday FT is read by 129,000 business people in significant organisations in Great Britain • More senior UK business people in significant organisations read the FT than any other National Daily Newspaper • 46% of Europe's top Chief Executives read the FT • 93% of Chief Executives of top companies in Britain and Ireland read the FT.

For full editorial synopsis and details of available advertisement positions to reach these audiences please contact Pat Looker, Financial Times, Alexandra Buildings, Queen Street, Manchester M2 5LF Tel: 0161 834 9381 Fax: 0161 832 9248

Source: BBS 1995 and Chief Executives in Europe 1995

FT Surveys

We're a million miles away from the Conran Shop



Chest of drawers in cherry £1,000
Exquisitely crafted contemporary furniture from Madrid

DE LA ESPADA Madrid

CALL 0171 581 4474

FOR A FREE CATALOGUE

60 Sloane Avenue, London SW3

Open 9am-5pm Mon-Fri

(100 yards from Conran's)

1948 BENTLEY MARK VI

Very good condition.
Asking price FF 120,000

Tel: +33-233300074

Fax: +33-233367396

The Financial Times plans to publish a Survey on

New York State

on Wednesday, April 9

This survey will be the Financial Times' first ever on New York and will explore the economic, political, financial, and industrial environment of the state. With city and state political leaders both dedicated to accelerating economic growth, the prospects for the future will also be examined. The state is currently waging a campaign to attract new business with the aim of making New York the Empire State once again.

The survey will also examine the state's other industries including tourism, agriculture, electronic and telecommunications equipment.

If you would like information about advertising or would like to receive a copy of the full editorial synopsis, please call:

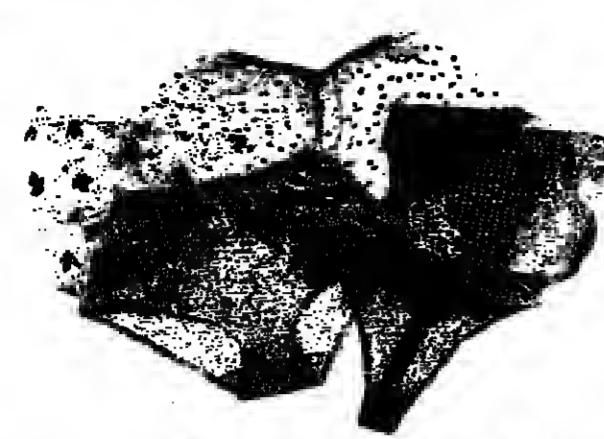
William MacLeod in New York Tel: +1 212 745 1343

Jenny Middleton in London Tel: +44 171 873 3794

or your usual Financial Times representative

FT Surveys

HOW TO SPEND IT

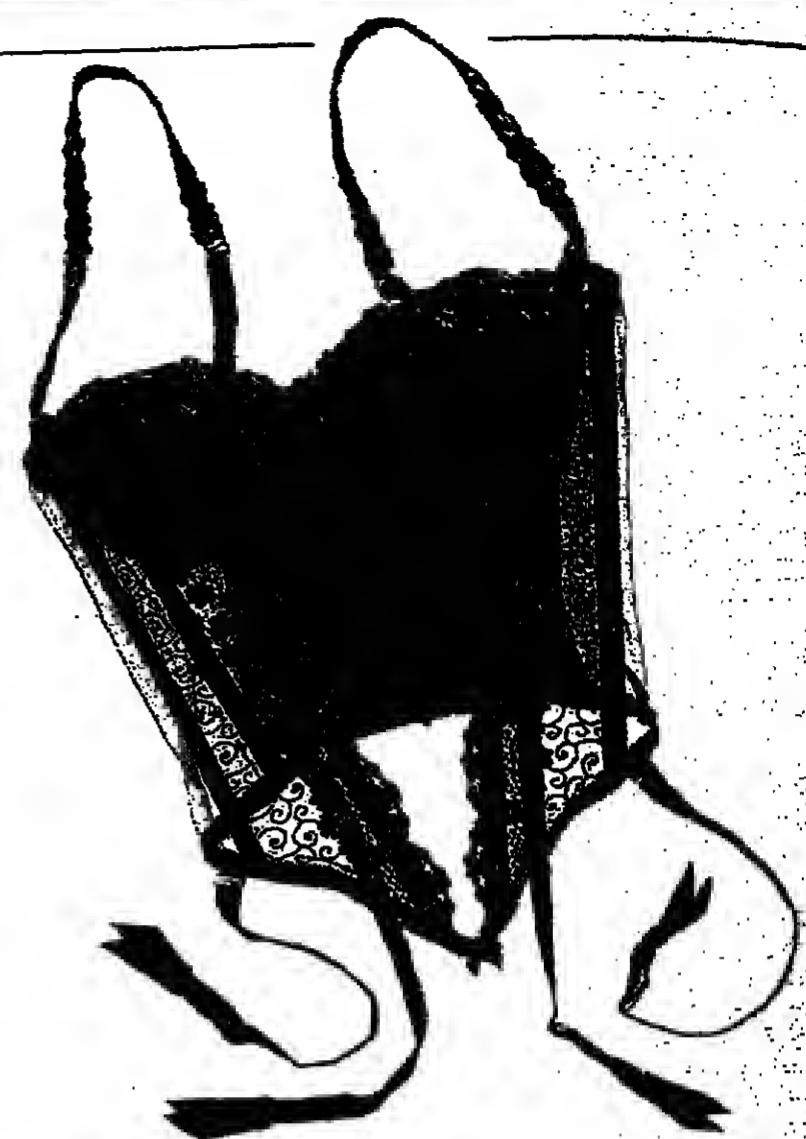


Clockwise from top: Agent Provocateur French knickers, £20; M&S gingham, £5, microfibre string, 94; Aubade deep-leg, £22, and Triumph Papillon, £7, from Fenwick, 63 New Bond Street, London W1, tel: 0171-623 9161



White nylon bra embroidered with light blue and green flowers, underwired and padded, £48, part of a set, from Agent Provocateur, 6 Broadwick Street, London W1, tel: 0171-438 0222

Buster and
suspenders in black
with multi-colour
embroidered flowers,
£77, from Boisvert,
168 Grafton Street,
London W1, tel:
0171-408 1721



The art of sheer dressing

See-through is in – but what do you wear underneath? Lucia van der Post reports

Is suppose we could blame it all on Nell Gwynn. Her fame lives on more on account of her memorable *embouillot* and her lacy undergarments than for her Thespian talents.

That's probably not totally fair. Since *Eve*, the baring of breasts and the tricky business of playing hide and seek with erogenous zones has shifted in and out of fashion. But take it from me, this is definitely one of lingerie's happening moments.

This, as anybody who observed the delectable Miss Hurley in her see-through black lace dress and attendant underwear at Liz Taylor's birthday bash will have noticed, poses considerable problems even for Miss Hurley let alone for the rest of us with our lumps and bumps, our droops and wobbles...

But never mind, help is at hand. The days of Marks and Spencer's mythical status as provider of knickers to duckies and shop-girls alike is under threat.

Lingerie departments which were once awash with plain matt Lycra and oceans of body toners and body shapers are now pretty as a bower, all pettily and fresh with flower-decked corsets, bras and knickers.

Young girls for whom underwear used to be something that they bought when the elastic gave out or the bra straps got unbearably grubby are now trotting into some of the specialist lingerie shops and spending a small fortune.

Shops such as Boisvert, which, among other delectables has a big range of Chantal Thomas's luxurious lines, and Agent Provocateur are doing a roaring business selling ravishingly pretty bras, light as air slips, *corsetières*, vintage (never worn) corsets and girdles, basques and waspies, and, of course, the newly fashionable "big" knickers.

"Big" knickers may be the current fat phrase on every lingerie buyer's lips but they are nothing like so innovative as they sound – it simply means they cover slightly more than the tiny bitsy triangles more usually on offer.

According to those in the know, the best-shaped of all come from Calvin Klein; they are like a boyish boxer and come in dense microfibre, selling for between £12 and £15.

Whilst few of us will want to adopt the new see-through or sheer look in its extreme or catwalk form, this summer will see any number of delectably pretty blouses and dresses, which will need some careful thought about what to put underneath if we are to feel comfortable.

The designers at the best upmarket labels have thought carefully about how the eventual customer might actually wear them and have wisely provided the under-pinnings to match. At Prada, for instance, and English Eccentrics, all the deliciously flirty and slightly see-through numbers have suitable and appropriately coloured slips to match.

Those who cannot afford top designer labels will have to do some careful shopping first. As Sarah Dobell, the underwear buyer at Harrods, puts it: "Manufacturers are selling dresses without thinking what people are going to wear under them and in my view they need their heads examined. Sheer dressing is very, very difficult."

This summer's most useful and hard-to-find piece of lingerie is going to be the slip or petticoat. "People gave up wearing them and so most manufacturers stopped making them. At the moment those on the market are mainly the sort one's granny used to wear. Most people are hardly going to buy a lovely dress and then want to put one of those underneath it."

Dobell has found an Amer-

ican company called Only Hearts which makes some in a tactile microfibre with V-necks, shoe-string straps, with or without lace and in three different lengths. At between £79 and £99 they will be the perfect catch-all garment for the summer.

Boisvert also has a collection of simple slips: quite plain with a little lace edging – in silk, crepe or nylon they cost about £125.

There seem to be two approaches to underwear. You either wear something in matt, opaque microfibre fabrics that makes the underwear itself almost invisible but also totally concealing. Or you take the other route and buy pieces that are so ravishingly pretty that they are specifically designed to be seen – either showing through flimsy blouses or just glimpsed peeking behind a low-line jacket.

Warners has a very practical range called Nudes which comes in three different skin-tones. "They're perfect camouflage," says one of my young friends. "They're brilliantly comfortable but you'd die rather than let anyone you fancied see you in them. Wearing them, you feel rather like a Barbie doll – as if you'd been airbrushed."

"That's why we all go to Agent Provocateur where they do vintage underwear and wonderful uplift bras in



It all started on the catwalk – here are highly visible big knickers in Colette Dinnigan's spring collection

those designed mainly for being seen – the lace and flower-trimmed ones that are in a tactile microfibre with V-necks, shoe-string straps, with or without lace and in three different lengths. At between £79 and £99 they will be the perfect catch-all garment for the summer.

For very specific problems – the halter-neck dress, the backless number, the strapless dress, the cross-over front – Berlei has a collection of bras in its Answers Collection which provides the solution for them all.

Above all, the secret of dressing this summer is going to lie in layers. The

look is all about prettiness and floatiness. Sheer shirts can be worn over T-shirts – white for a pretty, summery look, black for something more chic – and opaque slips and dark tights under now-you-see-it-now-you-don't lace can look beguiling and feminine.

At Vogue's end of Fashion Week party, Georgia Coleridge, wife of Condé Nast's managing director Nicholas Coleridge, had it perfectly judged – she wore what

looked like an all-in-one black body-suit and over it the sheerest, prettiest of white organza tunics.

Finally, one last piece of advice. If any male readers are pondering upon which of the myriad of pretties they should be buying for their nearest and dearest, think again.

Just remember that over 70 per cent of the lingerie bought on Valentine's Day is returned or exchanged. This is strictly female territory.



Models courtesy of The LEGO Group

SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really.

Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbourhood slob with a grubby vest and a weekend's stubble on his chin.

And the real refugee could just as easily be the clean-cut fellow on his left.

You see, refugees are just like you and me.

Except for one thing.

Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing.

And nothing is all they'll ever have unless we all extend a helping hand.

We know you can't give them back the things that others have taken away.

We're not even asking for money (though every cent certainly helps).

But we are asking that you keep an open mind. And a smile of welcome.

It may not seem much. But to a refugee it can mean everything.

UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world.

UNHCR Public Information
P.O. Box 2500
1211 Geneva 2, Switzerland



United Nations High Commissioner for Refugees

MOTORING

The affordable and the best

The Geneva motor show is in a class of its own, says Stuart Marshall

The most radical car Mercedes-Benz has created debuts its world debut at the Geneva salon de l'automobile, which opened this week. The egg-shaped A-Class is supermini-sized but family-car spacious. It is said to have a city car's manoeuvrability, the comfort of a conventional Mercedes and the versatility of a multi-purpose vehicle. All it has in common with a "proper" Mercedes is the three-pointed star on the front. Mercedes-Benz claims the A-Class is as safe as a conventional, full-sized saloon car because, in a crash, the engine slides underneath the floor and not into the passenger space. Shifting the seats around allows it to be anything from a driver-only load lugger to a five-seat people carrier. In four-seat family car mode, passengers have lots of room and there is ample luggage space. It has front-wheel drive

and a choice of three engines - 1.4-litre and 1.6-litre petrol and 1.7-litre diesel. Electronically controlled direct-injection, turbocharging and intercooling make the four-valves-per-cylinder 1.7-litre the world's most advanced diesels and the A-Class potentially among the most economical of cars. The diesel version will average up to 43mpg (4.48 l/100km) and the petrol-engined ones achieve at least 41mpg (6.9 l/100km).

When the A-Class goes on sale in Germany in the autumn, customers will be able to collect their own cars from the factory at Rastatt. Britain will not get it until next year, when prices are thought likely to be in the £13,000 to £17,000 range, depending on engines and equipment levels.

Geneva salon always one of the best international motor shows is more star-studded than ever this year. But it is the affordable exhibits (such as the Mer-

cedes A-Class) rather than over-egged confections for the rich that are the main centres of attention. Among them are Ford's sporting Fiesta-based Puma coupé; the restyled Peugeot 306s; including a long-awaited estate car; the Suzuki Wagon R-Plus, a six-seat mini-people mover; and the tiny, 3.5 metre long Seat Arosa minihatchback, rivaling Fiat's Cinquecento for compactness.

The handsome new VW Passat Estate was unveiled at the salon and is also due to go on sale in Britain in May. Roomier and better equipped than the car it replaces, it must be even more successful. All models have roof rails and load cover, ABS brakes, twin airbags and pre-tensioned seat belts front and rear. Engine and transmission options are the same as for the Passat hatchback, which will be in UK showrooms in a few days' time, priced from £13,995 on the road.

A walk around the salon demonstrates that the life-style, four-wheel drive market is alive and well - and not just in Switzerland, where their snow-beating



Signum: the shape of large Opel/Vauxhall estate cars to come

extra traction is in great demand every winter. Daihatsu unveiled a 1.3-litre recreational 4x4 not previously seen outside Japan.

The Real Time transmission of the 2.0-litre, 128 horsepower Honda CR-V five-seat sports-utility drives the front wheels on hard surfaces, feeding power automatically to the rear wheels when the front ones lose grip. The lid of its waterproof underfloor cargo store lifts out to double as a picnic table. The top half of its tailgate opens separately, BMW 5-Series Touring style, for loading small packages.

Chrysler Jeep's Cherokee has had a major facelift. Like the original Range Rover, which looked as good 25 years on as it did when new in 1970, the veteran Cherokee is an off-road classic. Smart enough for town it goes well in the rough.

Land Rover had been expected to unveil its new and smaller running mate for the Discovery and Range Rover at Geneva but its launch is still some months off. It will probably be in the autumn, either at Frankfurt or London.

No motor show is complete without concept cars. Some are just attention seek-

ers that will never be heard of again. Others are either destined for early production or at least point the direction in which a manufacturer intends to go. Prominent among these are two Rover prototypes which are straws in the wind for a Mini replacement and a small out-side, roomy within people-mover. The Shiraz, a styling study for a large executive car, indicates a move up-market by Daewoo is likely once its new small and medium cars have become established.

On the Opel (Vauxhall) stand, the Signum concept is a vision for a future generation of large, lifestyle estate cars. An experimental space-saving rear suspension, plus electrically operated sliding rear seats, provides a flat load floor up to 3 metres (9ft 10in) long.

Powering this down-to-earth concept car is a 3-litre, V6, 24-valve direct injection turbo diesel engine, jointly developed with Isuzu. Computer simulations suggest this 175 horsepower unit would give Signum a top speed of 144mph/232kph and an average fuel consumption of 43mpg (6.6 l/100km).

■ The salon de l'automobile

at Palexpo, near Geneva airport, ends on March 16.

The heat is on

John Griffiths examines why car prices are down in Europe

All wind might be blowing for Europe's car industry but it appears to be doing consumers some good. Statistics collected by Marketing Systems, an industry monitoring group, show that new car prices across most European markets fell in real terms last year. Not by much, mind you, and in Italy they rose when adjusted for inflation (although only by 1.1 per cent). But in Germany, France, the UK and Spain, they dropped by up to 0.9 per cent.

The figures reflect list prices - those which the car-makers publish in their brochures. In 1997, as never before, those prices reflect more hope than expectation. Transaction prices - what the customer actually pays - are considerably lower after dealer discounts are taken into account, and they are coming under increasing pressure all the time.

Also, the figures are in sharp contrast to much of the postwar period and particularly the 1980s. In that decade, it was not unknown for makers to raise prices three or four times a year, with the annual increase coming in comfortably ahead of inflation. Now, the brakes are on - applied not just by the fierce competition between Europe's car companies but also from further away.

South Korea's Daewoo, hugely aggressive in its plans to become one of the world's "top 10" by early next century, is at the forefront. Its wholly owned sales network, long warranties, free collect and deliver servicing, courtesy cars and other innovations have rattled the UK industry's cage. While waiting - after nearly two years - for Daewoo to fall flat on its face, European rivals are now having to adopt similar incentives.

The disadvantage for Daewoo, its big Korean rival Hyundai and other Asia-Pacific incomers is that their cars are not yet state of the art by European standards. But they will be in a couple of years - and so will Malaysia's Proton, making breathtakingly rapid use of Group Lotus in which it bought a majority holding last year.

Add on new competition from North America - Chrysler intends to be a big player in Europe and is beginning to make its presence felt - and some of the reasons for the price rise slowdown become apparent.

Others are perhaps not so obvious. Not long ago, Japanese cars had a quality and reliability edge, and their makers were happy to price up to European levels. Now, practically everyone makes cars of acceptable quality and Toyota, Nissan and the rest are having to slug it out in the marketplace on similar terms to the others.

The pain is real. More than 10 years after being set up, Nissan's UK manufacturing operations have yet to turn a profit. Ford, the UK market leader, is making

huge losses in Europe.

Garel Rhys, one of the industry's most knowledgeable gurus, says new cars are still priced too highly in the UK relative to incomes, and that makers and dealers will have to continue to squeeze their costs to make the two more competitive.

It is not just makers feeling the pressures, however; the squeeze is being applied all the way down through franchised dealer networks and the independent used car retail trade. The net effect is that prices should come down and value go up across the spectrum.

The old ways of doing new and used car business are changing fast

by the maker just as well through the Internet.

Franchised dealers may not disappear, he says, but they will have to make huge efforts to build superior customer relationship and service levels.

Increasingly, technology will break down the old physical boundaries of used car trading and intensify competition. Others have already spotted the opportunity - Car Shop now has rivals under such names as Virtual Showroom and Auto Locate.

Perhaps the biggest change in the used car market will, like so much in the motor world, be imported from North America. There, the age of the used car supermarket is dawning and the revolution is being led by "outsiders". The two biggest are AutoNation, part of Republic Industries run by the Blockbuster video founder, Wayne Huizenga; and CarMax, part of Circuit City, an electronics and electrical stores chain group.

Between them, they are planning to have nearly 200 used car supermarkets open by 2000 with a philosophy that has sent shivers down the spines of conventional dealers. The idea is to buy in large volumes - through auctions, fleet and other large-scale disposals - take a relatively small margin and sell in equally high volumes.

Traditional US dealers, badly rattled, are responding with a similar plan, setting up an enterprise called Driver's Mart. The concept has already reached Europe, but only in the UK so far.

International financial news from a European perspective.

AFX
NEWS

If you need to know what's moving Europe's markets, you need AFX NEWS, the real-time English language newswire that gives the latest international financial and corporate news. With the resources of owners and partners, the Financial Times Group and Agence France-Presse to draw on, you know AFX NEWS will always be relevant, reliable and right. And it's available to you on-line through

most major market data vendor systems, deliverable across your network to your PC or workstation. AFX NEWS has reporters across Europe and in other key markets feeding over 500 news stories a day direct to your system. So, for independent and succinct reporting on economic, corporate and market news, contact AFX NEWS direct or your local vendor today.

FOCUS ON FINANCIAL EUROPE
A JOINT-VENTURE OF FINANCIAL TIMES GROUP AND AGENCE FRANCE-PRESSE

AFX NEWS 13-17 EPWORTH STREET, LONDON EC2A 4DL (44) 171 255 2552
FAX (44) 171 490 5007 EMAIL: AFX.SALES@FT.COM AND NEW YORK, USA (212) 641 2418

FOOD AND DRINK

Plenty of real sparkle from the UK

Jancis Robinson finds an English wine that is more like champagne than the real thing...

The last time we at the Weekend FT tasted a range of fizz on your behalf, we waded in a range of champagnes at their grandest. Dom Pérignon did frighteningly well, I seem to remember.

This year I thought it was time to test a hit of bread and butter instead of richly iced cake and accordingly organised an in-depth look at wines made in the image of champagne, by the "traditional method" as it should say on the label, in the vineyards and cellars of England and Wales.

The theory goes that this is one type of wine British vignerons ought to be rather good at, given the climatological similarities with the Champagne region in north-east France. There are even patches of similarly chalky soil in southern England too.

Such wines need time to age in bottle, however, gaining character from contact with the yeasty leftovers from a second fermentation. So, considering this is a relatively new departure for the



Ready, steady, sniff! From left: Waitrose wine buyer Dee Blackstock, Yves Saubou of Montes restaurant and the FT's Giles MacDonogh and Jancis Robinson

Broadway

toes.

I slipped an inexpensive champagne, Heideleck Monopole (£13.49 from Arthur Rackham shops), into our masked line-up to see whether it stood out in this company.

It did not, in fact I

described the champagne, our second favourite wine, as "quintessentially English", praising its whistle-clean, fresh, tart, neutral, light and racy character as just the sort of style I would expect English sparkling wine produced to be aiming

for. The wine most of us thought was champagne, including sommelier Yves, was actually made in West Sussex, at West Chiltington, by Sandy and Stuart Moss of Chicago, who have used French expertise to fulfil their dream of making an answer to champagne in the English countryside.

Turning their backs on received wisdom that England will ripen only Germanic grapes, they have planted the Pinot and Chardonnay grapes of the Cham-

pagne region. The wine we liked so much was made exclusively from the first crop of Chardonnay produced on their carefully chosen 50-acre site.

Nyetimber Blanc de Blancs 1992 was not only the overall favourite by quite a margin, but also one of the most smartly packaged wines of the tasting, even if at first I took it for a negatively Soviet-influenced brand called "Nyet Imber". It turns out to be pronounced "Nyett Imber" and

to have been mentioned in the Domesday Book.

The slight drawback is that it costs £25 a bottle from the vineyard on 01798-813999, free delivery by the case. It is a thoroughly well integrated, tight-knit, distinctive wine, however, that has benefited from three years' bottle age. Creamy and hirochoc-scented, it represents a breakthrough for English wine.

My favourite, and a wine that scored almost as well overall as the champagne,

was Moorlyach Special Reserve 1992, selling for about £9.99 at Averys of Bristol and various branches of Thresher and Sanders in its zone of production near Bridgwater in Somerset. Harvey Nichols, of London SW1, has listed the 1991.

Another very well-made wine, it has also spent almost three years gaining complexity, but is different in style in that it is made from England's most planted grape, the neutral but zesty Seyval Blanc. It is dry and

appetising and genuinely interesting. Yves found "lovely intensity". Dee found bottle age, and both she and Giles noted some apple flavours.

The other English wine to win general approval was the rather garishly packaged Bubbly from Down St Mary in Devon, which is available at the vineyard for £9.99 a bottle (01363-82300) and the farm shop at Chatsworth in Derbyshire.

We were all impressed by English winemakers' obvi-

ous mastery of what we are no longer allowed to call the champagne method. Bubbles were persistent and not too uncomfortably frothy.

There were one or two wines that did not smell clean and appetising, however, and the most common fault was over-compensation for unpleasantly unripe grapes with too much added sweetening.

When it comes to putting class into a wine with bubbles there is no substitute for time.

Cookery / Philippa Davenport

Go bananas for a break in Lent

fact of life that when fashionabile ingredients are used as the starting point for recipe development, some overlaps occur. Ideas sometimes seem to float in the ether, and the best and most obvious are almost inevitably

a gentle Caribbean update.

Using lime and coconut

cream. As with the banana

tart, I believe this idea to be

mine. But what is the bet-

that someone else somewhere

has thought up and

cooked up its twin?

BANANA TARTE TATIN (serves 6-8)

Just over 1kg very firm, unblemished bananas; 350g (prepared weight) puff pastry; 75g butter; 75g sugar; 1 dozen green cardamom pods; the finely grated zest of 1 small orange and 1 small lemon; 2 tablespoons freshly squeezed orange juice; 1 tablespoon lemon juice.

Roll out the pastry to a 25cm round. Prick it and chill it while preparing the filling and heating the oven and a baking sheet to 190°C (375°F) gas mark 5.

Melt the butter gently in a small saucepan. Add the sugar and cook to a rich golden caramel, stirring, for about four minutes. Take care not to let it catch. Pour the caramel into a 33cm

round tart or cake tin or Pyrex dish about 4cm deep. I use Pyrex as I like to see what is cooking.

Peel the bananas and quarter them, cutting each one across then lengthways.

Crush the cardamom seeds to a coarse powder, mix with the citrus juice and zest in a soup plate. Turn the pieces of banana in the flavourings, a few at a time, and pack them jigsaw-style into the caramel-lined dish, on their sides or curved side down.

Drizzle any leftover flavourings over the fruit, and cover with the chilled pastry, tucking in the edges like a blanket all round. Bake for about 40 minutes until the pastry is a firm rich golden brown.

Run a knife round the

inside edge of the tin or dish

as soon as it emerges from the oven. Then leave the tart to cool for 5-10 minutes before covering it with a lipped tart plate, inverting and turning it out. Serve warm (this tart reheats well next day) with chilled pouring custard or crème fraîche.

LITTLE LIME AND COCONUT PUDDINGS (series 4)

Two litres; generous 250ml coconut cream (I use a 200ml carton of coconut cream mixed with 50ml or so water); 50g butter; 100g sugar; 2 large eggs; 15g sifted plain flour.

Heat the oven to 180-190°C (350°F-375°F) gas mark 4-5 and butter four individual soufflé dishes.

Beat the butter and sugar in a warmed bowl with the finely grated lime zest until light and fluffy. Add the egg yolks, one at a time, gently stir in the sifted flour, followed by the coconut cream, then 50ml freshly squeezed lime juice. (The mixture may take on a disconcerting curdled look in the process but do not let this worry you.)

Whisk the egg whites to snowy peaks. Gently fold in the lime coconut cream.

Ladle the mixture into the prepared soufflé dishes.

Stand the dishes in a roasting pan filled with freshly boiled water and bake for 30-35 minutes until pale gold, puffed up and set.

The pudding separates as it cooks into a creamy citrus sauce under a soufflé sponge cap.

Dust the little puddings with icing sugar just before serving them, and have a jug of thin cream at table so that those who want to can open their pudding with a spoon and pour in cream to cool and soften the citrus tang.

Appetisers

Fine wine bargains

Some fine wine bargains are to be had from the newly expanded mail order wine merchant Mayor Sworder of Croydon, Surrey (tel: 0181-686 1155).

The sum of £14 is an excellent price for a sturdy 1988 classed-growth

Pauillac, in this case the fifth-growth Château Batailley which has many years ahead of it yet. Even more unusual is some mature white burgundy, a Chassagne Montrachet 1990 from Jean-Marc Morey, at the strange, but highly acceptable price of £15.28 a bottle. This is relatively fat rather than lean but is drinking well now.

Whisk the egg whites to snowy peaks. Gently fold in the lime coconut cream. Ladle the mixture into the prepared soufflé dishes. Stand the dishes in a roasting pan filled with freshly boiled water and bake for 30-35 minutes until pale gold, puffed up and set. The pudding separates as it cooks into a creamy citrus sauce under a soufflé sponge cap.

Dust the little puddings with icing sugar just before serving them, and have a jug of thin cream at table so that those who want to can open their pudding with a spoon and pour in cream to cool and soften the citrus tang.

Both these are wines which were being held back by Mayor Sworder's new owners to offer through the branches of the Davisons chain of wine retailers, before they were sold to Unwins.

Ken wine lovers would do well to sweep up the bargains from the darkest corners of these shops in and around London before they are all Unwined.

Jancis Robinson

The good bistro, located somewhere between fast food and fast buck, usually awaits discovery down a side street. The cuisine will lean towards classic French, the decor will be attractive but unpretentious and the prices affordable.

Above all, standards will be consistently high because it will rely on customers coming back. This, traditionally, is where the *quasiés* eat.

Robert Didier, half French and a third-generation chef, had all this in mind when he opened Petit Robert in Park Street, Southwark, the next area of London to face regeneration. He was unperturbed by the run-down, if characterful, surroundings and the nearby chaos of the construction of the Jubilee Underground line extension.

He saw, instead, potential customers emerging from the new tube station from March

Petit Robert is open from 7am to 11pm on Mondays to Friday, on Saturday evening and for an extended Sunday lunch with a set menu.

John Fielding

■ Of the numerous pub reincarnations taking place in London, Cactus Blue, 86 Fulham Road, SW3 (0171-822 7856) is serving some of the most exciting food. Its theme is the cooking of south-west America and Mexico and its tapas-like, creative, *tostadas* and *empanadas* reflect that. Fortunately, mange-mangeritis and a range of 50 tequilas will cool you down.

Nicholas Lander

Growers of Swiss gold

Sue Style visits the saffron producers of Mund

1979, of an incongruous concrete road snaking up to the village from the valley to mobilise the troops. Progress is viewed with suspicion in those mountainous parts.

The road was deemed too big, too ugly and generally surplus to people's needs. Worst of all, it transpired that a swathe of the best saffron fields (which until then hardly anyone knew about, and apparently cared less) was intersected in no less than three places by conduits.

Some are villagers who work down in the valley for a chemical factory, others are wine growers or doctors. All are motivated by the same desire: to see an ancient tradition revived and a noble product grown once again on the slopes.

The crocus bulbs are planted at the end of the summer, about 10cm deep in steeply sloping sandy soil. The soil must be well drained and not too rich - the crocus sativus hates wet feet and turns up its nose at a dose of manure. Rye is sown in between to act as a mulch and keep down the

weeds. The first harvest will come the following October and November.

Full moon and Fohn (a disturbing, warm south-west wind which ripens the autumnal grapes and drives people crazy in passing) are said to be conductive to flower.

The brick red stigmas are pinched out carefully and laid on silver foil to dry.

After flowering, saffron stealing is strenuously discouraged and actively policed: in the fields a notice reads "Saffronflicker verboden - Buiss Sfrs 500" (Saffron picking forbidden, penalty £250).

The beautiful flowers, pale

mauve streaked with deep purple, are picked whole and borne home by their proud owners.

The brick red stigmas - generally three in number, sometimes four (when the flower is known as a princess), rarely five (a queen) - are pinched out carefully and laid on silver foil to dry. In the old days

drying took place on top of the tiled wood-burning stove in the parlour, a process which perfumed the room beautifully.

Oddly, the stigmas have no aroma when fresh, only in death do they develop their extraordinary pungency. Some 120 flowers are needed to give a gram of stigmas, barely enough to flavour a dish of risotto.

And the cost of the golden spice from Mund? The question is academic, since none ever reaches the market. Some finds its way into the wonderful saffron risotto made at the

house in winter just £1.35.

"Too many restaurants rip people off," says Didier. "They are overcharging for very mediocre service and food. There's no need for it. If the restaurant is full, I can make a living. If prices are geared so that people can afford to come back every week, then people will."

Herr Studer, the baker in Gils, near Brig, a native of Mund, has patented a fragrant *Safranbrod* which can be found on his shelves on Saturdays, or to special order. It is a lightly sweetened milk loaf, richly gold with saffron and recommended for breakfast or tea, with butter and jam.

Perhaps one day the saffron growers of this little Valaisian village will produce enough to sell on the open market - although it is possible that no one would be able to afford it. Meanwhile, Mund is on the map, a great old tradition has been revived - and a good time is being had by all.

John Fielding

J.S. 1/50

FOOD AND DRINK

Thank you for lunch and £43,696.43

Nicholas Lander announces the winners of the FT's Lunch for a Fiver promotion and looks back on its success

This year's FT Lunch for a Fiver promotion in the UK has again exceeded expectations. The link with the charity, Save the Children, proved popular with readers and restaurateurs.

As a direct result of our promotion, the charity has received £43,696.43 in donations, with more still arriving. The total raised is about 50 per cent higher than anticipated. The money is already being put to good use round the world, says Joe Billington of Save the Children.

Sarastro, in London's West End, (071-836 0101) showed no inhibitions about handing out donation envelopes, and, by collecting £4,016, easily won the FT's award for raising the most money for charity.

It achieved this partly thanks to its customers, partly thanks to its charismatic owner - "King Richard" - who matched the £250 one table of 10 donated after a birthday lunch; and partly thanks to the Sarastro orchestra. The orchestra regularly plays in the evenings but during the FT fortnight played at lunch as well.

Along with other orchestra members, Richard Sleathman and Chris Briery went round the tables with a hat to drum up extra donations. In this way, a further £1,500 was collected.

Other sterling contributions came from the customers at The Horn of Plenty, which raised £271, and Chris Briery went round the tables with a hat to drum up extra donations. In this way, a further £1,500 was collected.

Elaine Gatehouse, from

£5 restaurants
1. The Horn of Plenty, Tavistock, Devon (01822-632528)
2. Bryn Howel Hotel, Llangollen, Denbighshire (01978-880331)
3. St Fleur de Sel, Haslemere, Surrey (01428-881462)
4. Summer Lodge, Evershot, Dorset (01935-232424)
5. Wills of Bath, Wye, Kent (01233-812540)
6. The Old Forge Restaurant, Stowbridge, Gloucester (01285-743452)
7. St Olaves Court Hotel, Exeter, Devon (0392-217339)
8. The Steeple, London NW8 (0171-625 1222)
9. The People's Palace, London SE1 (0171-926 9939)
10. The Copper Inn, Pangbourne-on-Thames, Berks (0118-984 2244)

Devon, which raised £271, and those enjoying lunch at Hambleton Hall, Leicestershire; the White Hart Inn, Oldham; the Punch Bowl Inn, Crosthwaite, Cumbria; and the Butler's Wharf Chophouse, London.

Restaurateurs entered into the spirit of the promotion in different ways. Berni and Michel Perraud at the Fleur de Sel, Haslemere, Surrey, placed a Save the Children tree by the entrance to which they attached donor envelopes. At the Bryn Howel Hotel, Llangollen, bar manager Gary Warner created a 3D replica of the FT logo as a centrepiece for the restaurant and wore a Financial Times bow tie and cummerbund.

With one or two exceptions, the number of customers and the average spend were considerably higher than previous years. Bryn Howel reported numbers up 50 per cent on last year. Nigel Haworth, of Michelin-starred Northcote Manor,

Elaine Gatehouse, from



£7.50 restaurants

1. The Horn of Plenty, Tavistock, Devon (01822-632528)
2. Bryn Howel Hotel, Llangollen, Denbighshire (01978-880331)
3. St Fleur de Sel, Haslemere, Surrey (01428-881462)
4. Summer Lodge, Evershot, Dorset (01935-232424)
5. Wills of Bath, Wye, Kent (01233-812540)
6. The Old Forge Restaurant, Stowbridge, Gloucester (01285-743452)
7. St Olaves Court Hotel, Exeter, Devon (0392-217339)
8. The Steeple, London NW8 (0171-625 1222)
9. The People's Palace, London SE1 (0171-926 9939)
10. The Copper Inn, Pangbourne-on-Thames, Berks (0118-984 2244)

The Horn of Plenty, reported asked if next year could we please arrange it for February as the chef was so busy on a menu price of £7.50 and said that of the 367 customers 30 per cent were new.

A.C. Clift, proprietor of The Talbot, Knightwick, in Worcester, said business had been excellent but

Michael Harris, from the long-established Bell Inn at Aston Clinton, Buckinghamshire, said it had enjoyed

£10 restaurants

1. Hambleton Hall, Rutland, Leicestershire (01572-756991)
2. Leith's Restaurant, London W1 (0171-229 4481)
3. Winteringham Fields, Winteringham, Lincs (01724-733095)
4. Brown's Hotel, London W1 (0171-493 6822)
5. Hollingdean House, near Newbury, Berks (01635-255100)
6. Read's, Faversham, Kent (01793-635344)
7. The King's Head, Leighton Buzzard, Beds (01296-668383)
8. Marlowe's, Bristol (0117-926 2658)
9. Hartwell House, Aylesbury, Bucks (01296-747444)
10. The Bell Inn, Aylesbury, Bucks (01296-630252)

serving its 45 FT customers a day but a study of the questionnaires had confirmed that you cannot please all the people all the time. After two had written "dining room decor, unbelievably drab" and "I do not like the blue of the ceiling" he was just about to call in the decorators when another customer wrote "extremely elegant surroundings".

And so to the results. After counting and deciphering 12,000 questionnaires this year there are three new winners.

The £5 category winner is The George & Dragon, Rowde, run by Tim and Helen Withers. It is a small, 35-seater village pub restaurant in Wiltshire, which must have been cooking up a storm because it beat the highly acclaimed Marsh Goos, Moreton-in-Marsh, into second place for the third consecutive year.

The Horn of Plenty, Guitwroth, Devon, a name associated with the renaissance

FT winners are once again from outside the capital. Only four London restaurants - Leith's, Brown's Hotel, The Blenheim and The People's Palace - feature in your top 30. London is unquestionably an exciting city to eat in at the moment but, based on your questionnaires, the rest of the UK is offering unbeatable value for money.

There was one minor criticism of the scheme which we hope to address next year. A reader told us that the idea of the association with charity made him feel better about the money he was spending.

He then pointed out that although he had a first-class meal at Chutney Mary, in Chelsea, London, neither the questionnaire nor the donation envelope were made available.

Another reader cited the same experience at Billesley Manor Hotel, Warwickshire. Both stories had happy endings as each reader kindly doubled their donations after their next FT lunch. I hope that in 1998 the system will be more foolproof.

Finally, thank you all for your great generosity. Undoubtedly, the biggest beneficiary of this year's FT lunch promotion is Save the Children. Next year will be the fifth anniversary of the FT's Lunch for a Fiver and will, I trust, be the biggest, most enjoyable and worthwhile.

Meanwhile, keep your comments and suggestions coming.



He went in search of paradise

James Henderson eats out at some of the Caribbean's finest restaurants

There is artfulness in ambience, of course, and Caribbean restaurants have excellent material to work with to create the perfect setting.

There is the warm night air (in the Caribbean it is dark by 7pm year round and so you almost always have dinner after dark) and there is the veranda or garden setting with its tropical greenery and a background of piping tree frogs or the wash of breaking waves. It is always a pleasure to visit a place that gets the balance just right.

Of course, the loveliest setting in the world will not compensate for a lack of service or indifferent food and, in these areas, the Caribbean tends to be a little shaky. It is certainly not an easy job, running a restaurant in the islands.

There are problems with reliability of supply - if fishermen do not feel like going out, then there is just no fresh fish for a couple of days - and a week's worth of cured goat and lumpy tropical veggie-tablets is not everyone's idea of a perfect holiday, so most of the ingredients, and the styles of cuisine, are imported.

Over the years I have had some macabre experiences in some remarkably expensive restaurants around the Caribbean, but it is not always that way. Recently I have eaten at a number of delightful places which combine the best food and wine with international standards in a setting of real Caribbean comfort.

The island of Anguilla is a surprise. At first glance it has none of the necessary ingredients: it is small, British and completely barren. Barely anything grows there, except lobsters, although these just happen to be the best in the area.

However, there is a large airport just across the water in St Martin,

so fresh produce can be flown in daily. It is possible to eat well in Anguilla in a different place each night (with some fine lunches on the beach) for 10 days.

The most impressive restaurant on the island is Blanchard's, on Mead's Bay, which is run by an American couple, Bob and Melinda Blanchard. He oversees the house, and a wine-list that has been known to amaze visitors with its breadth (a Cabernet Sauvignon from the Leonetti Vineyard in Washington state and a Matanzas Creek Merlot from California) and she is in the kitchen.

In the dining room, the gentle murmur of chatting and the clink of cutlery is offset by the occasional thump of a wave breaking in the distance; you dine looking through outside windows with turquoise louvers on to a lit garden with small waterfalls. The fare is light - to suit both the climate and the many visitors on diets.

I tried an assortment of starters including lobster-cakes (fishcakes studded with tiny dabs of Anguillan lobster, for which Malindie Blanchard is renowned); a lobster dumpling with a lemon-glaze and a vegetable spring roll accompanied by a sesame and a peanut-lime dip.

Blanchard only reluctantly allows categorisation - somewhere between New American and Fusion. She mixes tastes as various as Cajun and Asian, primarily Chinese and Thai.

To continue, there was a long list of Caribbean fish dressed in electric but alluring sauces - swordfish stuffed with sun-dried tomatoes and parmesano cheese, served with lemon-dill vinaigrette and mussels with a Thai red curry sauce, but I went for the orange-pepper wahoo, which swam in a sauce of fresh orange juice.

'For the main course I continued with tuna, cooked rare as is the way now, with coriander cream and capers.'

calls itself the "gourmet capital" of the island, and along the waterfront it has about 20 places to eat, their lights shining into the bay like the stripes on a bar code.

It was a close call between three restaurants but in the end, for setting, service and for the food, I felt most satisfied at the Fishpot, where the serene atmosphere of the balcony dining room was underpinned by bustle and efficiency, visible in the eagle-eyed waitresses standing to attention at the doorway.

I sat overlooking the sand, where a tiny plover twittered up and down in its own quest for food,

dodging the waves as they ran in.

The fare at the Fishpot is French, with a few concessions to the climate: sauces are lighter in taste and less rich, not thickened with cream. And, of course, best use is made of Caribbean ingredients.

The sea scallop kebab sat like a tropical island in a small sea of coconut mango sauce. I followed with a filet of daurade, batched with burn-marks from the grill and scattered with small leaves of green, in a lemon and Jamaican peppercorn sauce.

After the lightness of the two first courses I blew it all on some cream-filled profiteroles with an outrageously rich, dark chocolate sauce crusted with shards of almond. Oh well.

Winter visitors to Barbados have been trading stories about The Cliff for a couple of seasons now, eating there two or three times during their annual fortnight's pilgrimage.

The Cliff really does have the perfect setting, with tall, slim metal walls supporting flaming torches, fans spinning silently, and tables ranged in three amphitheatrical tiers carved into the coral cliff edge; you look offshore and the garish giant in the floodlights as they sow their way in and out of the rising waves.

Paul Owens, the chef, has been working on the island for over 10 years, now. Again he takes tastes from around the world and presents them in enticing combinations. The crab cakes came in a red curry sauce, just hot enough, and for the main course I continued with tuna, cooked rare as is the way now, with coriander cream and capers, and presented on a huge plate of thick, white china. The wine list at the Cliff is short but strong.

Where so many of the top Caribbean restaurants have taken their inspiration from abroad, Norma's Restaurant in Jamaica makes a virtue of finding the best local ingredients that the island can offer. Norma herself buys fresh daily in the markets and makes variations on traditional Caribbean themes and some ideas that she has picked up on her travels.

The dining room is outside, on the waterfront in Montego Bay, on a magnificent deck of foot-wide planks, where the water washes quietly over the rocks beneath you.

A huge sea-almoin tree stands above but it is really the vastness of the night sky which is the backdrop. The only light to break the darkness is the candles in huge glass hurricane shades and the pinpoints of the distant city lights, their reflections dangling on the ink-black water like coloured green and squiggles.

Pumpkin soup, a trusty Caribbean favourite, is served thick, almost fondant, dashed with crisp white flecks of calabash apple; then I continued with a grilled fillet of red snapper which had been marinated in ugali fruit with capers and herbs. After a walk to the end of the pier I finished with a sumptuous white chocolate and pear cheesecake with a lacque of rum.

The writer Patrick Leigh Fermor's words from *The Traveller's Tree* still make me laugh each time I read them: "A stretcher may profitably be ordered at the same time as dinner..."

This was, admittedly, in 1942. Eating out in the Caribbean, well in most of the islands, can still be fraught, but not everywhere.

Another Anguilla sunrise, Page XVIII

Markets

Smithfield's restoration

The first phase of a superb restoration of London's Smithfield meat market, which brings back to life all its colour and technical exuberance, and keeps a leading UK market in the heart of the capital, has been completed.

The restored Victorian frame encases the most up-to-date meat market in the EU. The building was designed in the 1860s by Horace Jones, the City architect, using 5 miles of iron girders, a vast wood and slate roof, ornate cast iron gates and grilles, pepperpot towers like those on the National Gallery, and statues on the parapet.

Sand-blasting 17 layers of paint on the cast iron scrollery revealed the original colours, which architect HLM Design have recreated as an uncompromising riot of viridian, magenta, violet and gold.

A parade of scarlet telephone boxes lines the Grand Avenue, the central thoroughfare and, in the middle, the market's centrepiece, a large four-faced clock of 1870, hangs from the roof.

Smithfield began centuries ago as a market for live animals on the smooth flat outside the City wall. Then came the Metropolitan Meat and Poultry Market Act 1860, after which the livestock market and slaughterhouse were exiled to Islington and Jones started building.

The new market is almost an operating theatre in its cleanliness. On one side are the market tenants that handle the carcasses and on the other those dealing in boxed meats, already cut and packaged.

The health and safety features on the exposed meat side are substantial. The carcasses are now moved from one sealed environment to another.

The "pitchers" who carried the carcasses into the market are no more, and the famous Smithfield beech-leaf is but a whisper. But the spirit has not gone altogether. At the Lord Mayor's Show last year, you would have heard the refrain of the shopmen marching with the superintendent.

"Beef won't make you mad, Beef won't make you mad, Beef won't make you mad," they chanted quietly. "Only the missus does".

Trading starts at 4am and is mostly over by 9am. The pubs also open at 4am and there are plenty of cafes for a good English breakfast. You could visit The Hope, in Cowcross Street, which serves breakfast from 7.15am and where you can drink anything from tea to champagne.

Gerald Cadogan

Bordeaux Wanted

We pay top prices for Classified Growths.
Contact Susie De Paolo now on 0171-727 6846.

John Armit Wines Limited

5 Keynsham Studios, 105 Lancaster Road, London NW1 1OF. Fax 0171-727 7122

CLARETS VINTAGE PORTS WANTED

We make it easy and profitable to sell your wine. Cash or banking terms offered.

Contact Jonathan Stephens
Tel: 0171 221 2100
Fax: 0171 221 2643

EARR VINTNERS

No-one sells more fine wine in the U.K.
We make it easy and profitable to sell your wine. Cash or banking terms offered.

Contact Jonathan Stephens
Tel: 0171 221 2100
Fax: 0171 221 2643

LONDON PROPERTY

THE WHITE HOUSE
1 Bed. Luxury Apartment
449 sq.ft. (41.6 sq.m.) approx.
£115,000
ESTIMATED RENTAL £14,820 P.A.
ESTIMATED CROSS RENTAL YIELD 12.8%

THE WHITE HOUSE
2 Bed. Luxury Apartment
635 sq.ft. (58.3 sq.m.) approx.
£155,000
ESTIMATED RENTAL £19,500 P.A.
ESTIMATED CROSS RENTAL YIELD 12.5%

49% GROWTH POTENTIAL ON YOUR EQUITY

85% INVESTMENT MORTGAGES NOW AVAILABLE!

BELVEDERE ROAD SOUTH BANK LONDON

1, 2 & 3 BED. LUXURY APARTMENTS

OPENING WEEKEND 10.30AM-5.00PM SAT 15TH-SUN 16TH MARCH

* Based on a £200,000 deposit over a 20-year period prior to prime central London property price increases by 2.5% pa from 1997 as projected by Savills Residential Research. Purchase rental income, mortgage and management costs excluded.

** Subject to status and tenure specific conditions.

◆ Systems in training and some part of the service charge.

◆ An apartment to another development.

SALES OFFICE & SHOW SUITES OPEN 7 DAYS 10AM-5.30PM
TEL: 0171 620 1500
GALLIARD NATIONAL ENQUIRIES FREEPHONE: 0800 54 56 58 (24 HRS.)

The Fine Art of Quality

The view of the Tate Gallery from Peninsula Heights

Only four apartments remaining at Peninsula Heights

An exclusive residential development of exceptional quality on the banks of the Thames.

- 24 hour concierge and security, CCTV
- Leisure centre for sole use of residents

Two and Three bedroom apartments from £399,000 to £635,000

Marketing Suite
0171 793 1313
Fax 0171 793 1414
Viewing 7 days a week

Peninsula Heights
93 Albert Embankment
REGALIAN DEVELOPING IN ASSOCIATION WITH SINCERE
BEANEY PEARCE HAMPTONS JOINT SOLE AGENTS

High Style warehouse apartments ideal for The City and Canary Wharf

LAUNCHES THIS WEEKEND
8th & 9th MARCH 10am-6pm

43 BREWHOUSE LANE WAPPING LONDON E1

SAVILLS
0171 488 9586

Chimney COURT

FIRST TIME RELEASE

Spacious studios and 1 & 2 bedroom apartments, in the centre of Wapping with secure car parking, portage and for immediate occupation.

Prices from £105,000 to £439,000

www.propertyfinder.co.uk/chimneycourt

LITTLE ADELPHI
JOHN ADAM STREET, LONDON WC2

CLOSE TO COVENT GARDEN & THE SAVOY,

NEAR THE RIVER THAMES IN THE ADELPHI CONSERVATION AREA

10 NEW LUXURY APARTMENTS

2 & 3 BEDROOM APARTMENTS PRICES FROM £215,000

- NEAR TO CHARING CROSS & THE EMBANKMENT STATIONS
- HIGH SPECIFICATION INTERIORS
- PORTAGE • SECURE UNDERGROUND CAR PARKING

OPENING TODAY
11.00 AM - 4.00 PM

DE GROOT COLLIS
0171 235 8090 GALLIARD HOMES

EDINBURGH
BRAND NEW CITY 2-3 BEDROOM FLATS with en-suite and parking. FREEHOLD
10 Year NHBC Guarantee

Excellent central location, ideal for investment to show adapted 2-3 bed flats, or guaranteed rent £10,000 per annum. Also ideal for owner occupation. Available now at material discount to current market value for early commitment. Fixed Price of only £28,000 for commitment prior to 15th March

Melchora Warrack Senate International Tel: 0131 226 3638 Fax: 0131 226 3639

KNIGHTSBRIDGE
The prettiest address in London's most enviable flats to let. Exceptional spaces, elegant flats, excellent warm rooms, large windows throughout, arranged for large scale entertaining. Details a base for the discerning. One bedroom flat to let. Fully furnished. Rent: £1600. 2 & 3 bed £1800. 1 bed maid service included, available immediately. PLEASE CALL DUNSTON TO 0171 225 0454

HOMESearch LONDON
Let us search for you. London's No. 1 specialist search company. Tel: 0171 639 1066 Fax: 0171 639 1077 www.homesearch.co.uk

ST JAMES'S, SW1
3 bedroom flat, reception, bathroom/shower, kitchen, maid's room, car parking available. Lease for Sale. Offers invited. DANIEL SMITH, 0171 938 6641 - REF: DMA

Unmodernized properties available in the Chelsea and Kensington area. 2 beds from £139,000. Great rental investments or immediate profit potential. Tel: 0171 491 8972 Fax: 0171 493 5399

COUNTRY PROPERTY

BUTLER & SHERBORN
INCORPORATING BURLEY LLOYD THORPE

WORCESTERSHIRE
Upton-on-Severn 2 miles, Cheltenham 15 miles, M5/M50 access points 7 miles, Birmingham 38 miles. A magnificent Listed Grade I Tudor manor house carefully restored and protected by its own estate. 6 reception rooms, 8 bedrooms, 6 bathrooms. Attractive landscaped gardens with lakes, heated swimming pool, tennis court and pavilion. Wine store. Lodge and 3 further cottages. Extensive outbuildings and garaging. Substantial traditional style barn. All weather gallop, arable and pasture land. In all about 132 hectares (325 acres). For sale as a whole or in two lots. Joint Agents: Savills, London 0171 499 8644. 2 High Street, Burford, Oxon OX18 4BB. Tel: (01993) 822325. Fax: (01993) 823742. In association with The London Office, 27 Berkeley Square, London W1X 5HA. Telephone: 0171 499 2727.

Great Jubilee Wharf
78-80 Wapping Wall, London E1

One of the last remaining, original waterfront warehouse opportunities on the southbank of the River Thames in Wapping.

From only £300,000 Ready March/September

Open Weekend 8th & 9th March

11.00am to 5.00pm

GALLIARD HOMES LIMITED

Tel: 0171 488 0306

THE BOLTONS, LONDON SW10
& The cottage, Gilston Road

A beautifully presented detached 6 bed family house with guest cottage, 100 ft garden and parking for 3 cars in this most prestigious area. FREEHOLD

£2.25 MILLION

FRIEND & FALCKE
0171 581 3023

LONDON SW3
In Phene St. off Oakley St. A Freehold Family House. Suit 4 beds or 2 beds with Flat. Sole Agents: Warwicks Tel: 01234 823661 Fax: 822625

PROPERTY



The first time Dan McCauley visited Drake's Island was as the new owner. "I thought it was wonderful. It's a time capsule. I thought, what a bargain."

SAVILLS
0171 483 5586

Chimney

EDINBURGH

When Knight Frank was instructed by the Crown to sell Drake's Island in Plymouth Sound, its brochure carried Sir Francis Drake's words: "He who owns the island controls the town".

That motto alone might have been enough to persuade Dan McCauley to buy it. Already the owner of Plymouth Argyle, the city's football club, he felt it was worth paying the guide price of £250,000 - and then some. Like most people in Plymouth he had stood on the famous Hoe and stared out at Drake's Island 800 yards offshore. But he had never actually set foot on it.

Originally a priory, it was established as a fort and garrison in the 16th century. It takes its name from the time when Queen Elizabeth I made Sir Francis Drake governor of the island in 1580.

Following the attempted invasion by the Spanish Armada, its defences were swiftly upgraded and it remained part of Britain's coastal defences until very recently.

The first time McCauley visited it was as the new owner. He was flown in by a television crew to survey his

new spoils on camera. "I thought it was wonderful," he says. "It really is impressive. It's so different from anywhere else."

"There is very little on the island, but you could easily spend a day there just looking at the views, exploring the tunnels and the gun casements. It's a time capsule. I thought, what a bargain."

For a man whose private engineering company, Rotolok, is worth tens of millions of pounds, it might look that way. McCauley had to make a sealed bid for Drake's Island. On a guide price of £250,000 he bid £284,000. "I threw money at it," he says.

As well as the old military legacy of tunnels and gun casements, he had bought a seven acre island with a commander's house and a barracks block. He has no plans to move into the commander's house himself.

"The place is too important for one man to keep to himself," he says. "It's too important for the community.

McCabe looks at the dream properties of the people who come into a fortune

nity. But if I was retiring, I wouldn't mind living on an island. I'm keeping my eyes open."

Islands have long been one of the dream possessions for people who make a fortune. They embody the notion of a private kingdom as well as providing an escape into an entirely separate world from the one where they make their money. Like the large country estate, they bequeath ownership of a slice of British history.

But islands do not come without their real life problems. The 60 inhabitants of the Hebridean island of Eigg have managed to drive out its owner, a German artist called Maruma. He has put Eigg up for sale only 15 months after buying it for £1.5m. His predecessor's Rolls-Royce was destroyed in a mystery fire.

When the national lottery was launched, many assumed the multi-million pound winners would spend some of their money on properties such as these. In

fact, not a single significant property has been bought by a lottery winner - though, in the case of Drake's Island, one bid and lost.

Instead, lottery winners have, in the main, spent their money on cars and holidays. They may have



He who owns the island controls the town! Dan McCauley - in control in Plymouth

Dawn & West News

they can live and work on the same site. Lord Lloyd-Webber - the composer Andrew Lloyd Webber - has such a combination at the Eaton Square home which he is now selling with an asking price of £15m. Richard Branson has two neighbouring homes in Holland Park, west London, for his family and his work.

Sir John Hall, the man behind the Gateshead Metro-Centre, the largest retail and leisure park in Europe, and Newcastle United football club, bought Wymond Hall, a stately home on Teesside, as his home and business base.

Once the home of the Londonderry family, who made their wealth from the north-east coalfields, it is now owned by a man who started life in a two-up, two-down colliery house.

Sir John and his wife Lady Mae live in one wing of the house. The rest of it, including the vast principal rooms which have been the subject of a £4m restoration pro-

gramme, is used for corporate purposes. It was here - and at St James' Park, Newcastle United's ground - that Sir John entertained the directors of Samsung, the Korean electronics firm, who subsequently decided to build their European factory on 400 of his 7,000 acres.

"It is a scheduled ancient monument," he points out. But little attention seems to have been paid to its upkeep over the years, he says.

When the island first came on the market in 1995 Knight Frank organised a two-stage tender. In the first stage all interested parties were asked to register by a certain date. McCauley missed that deadline, but a chance item on the local television news reported that the second deadline for sealed bids was still to come. "When it came up again I thought it must have been destined to be mine," he says wryly.

He rather likes the idea that the deeds for Drake's Island have passed directly from the Crown to the son of a railway worker. "I'm one of five children," he says. "My father had to work every day of his life to keep us alive. I have been one of the lucky ones of the past 25 years."

Anne Spackman looks at the dream properties of the people who come into a fortune

On the Move

Join the queue of buyers

Anne Spackman finds the switch to a seller's market is complete

In affluent parts of the UK the transformation from a buyer's to a seller's market seems to be complete. Estate agents now have, on average, 104 properties on their books compared with a high of 200 at the start of the recession. In London the figure is likely to be nearer 50. Anyone registering as a buyer, particularly in London and the south-east, finds themselves at the back of a very long queue.

The return to a competitive market has prompted renewed calls for changes in the UK purchasing system.

At the root of the problem is the gap between agreeing a sale and exchanging contracts. Either side can currently pull out until the last minute, without incurring any penalty.

The National Association of Estate Agents, which covers 30 per cent of the business, wants buyers and sellers to be legally bound to pay a deposit of 0.5 per cent when a sale is agreed. This would deter sellers from "gazumping" - accepting a higher price from another buyer - and would stop buyers from making offers on several properties at once.

An exception would be made in cases where a subsequent survey showed serious defects in the property. Then the buyer would not forfeit his or her deposit.

Rugby Dunsmore-Hardy, the association's chief executive, believes this could in time lead to sellers undertaking surveys, which buyers would view along with the property.

The association has also introduced code of practice whereby sellers are asked if they want their agent to continue offering their property once a sale has been agreed. If they say yes, the buyer is informed.

The Royal Institution of Chartered Surveyors backs a different form of voluntary agreement between buyers and sellers. As always, the residential property world speaks with many voices.

Now, after months of



talks with the industry, the Labour party has produced a co-operation document aimed at outlawing gazumping and introducing more certainty.

Labour suggests a number of options including a complex system whereby each party is liable for the other's costs if they pull out. The biggest weakness in this system is that it involves collecting money from people after the event, which could lead to frequent litigation.

If the many bodies representing the property world's different factions can bury their differences, there is a chance that the system will be improved.

Hong Kong sales

Hong Kong buyers have come roaring back into the British property market, with agents reporting record sales in the past month. Barratt sold £13m worth of property to buyers in Hong Kong and Singapore in just one week at the end of February. This compares with annual sales of £2.8m last year and £7m in 1995.

Buyers in Hong Kong paid up to £700,000 for houses in City Road, London, the developer, Metropolis, has three computers and a large video screen in the market-

ing suite, in addition to a model and a show flat.

Now, Butler Sibborn, a Cotswold country house agent, is using a similar system to sell a large country house being built in an old Victorian walled garden. It has developed a computerised version of the house, in colour, which can be viewed via the Internet or on a computer disk.

The house will have six bedrooms, five bathrooms, four reception rooms and a two-bedroom annexe and is due for completion in the autumn. It is in the picturesque village of Upper Slaughter, near Stow-on-the-Wold, and the agent has set a guide price of £380,000. (Butler Sibborn 01993 522325.)

Travel time

One sure sign that London is buzzing again is the return to boom-time levels of traffic on the city's streets. The difficulty of travelling to work in London is one of the main reasons behind the migration of residents back to the city centre.

With this in mind, Knight Frank has produced graphs showing how long it takes on average to reach three of London's most popular work destinations - the City (Bank), the West End (Oxford Circus) and Canary Wharf - from London's main residential areas.

The graphs show that the price to be paid for moving from a central area such as Kensington to the leafier Wimbledon or Richmond is an extra 20 or 30 minutes commuting each way. Hampstead also scores quite badly, with Tube journeys of nearly 40 minutes to the City and 50 minutes to Canary Wharf.

This information is particularly useful for investors, as journey-to-work times are crucial in the rented sector. Lorna Vestey of Knight Frank says proximity to a Tube station can make a difference of up to 50 per cent in rental income. Flats more than 10 minutes walk away from the Tube are unpopular with tenants.

At the Lexington scheme

COUNTRY PROPERTY

JOHN D WOOD & CO.

LANDLORD AND COUNTRY ESTATE AGENTS ESTABLISHED 1872



OXFORDSHIRE - APPLETON

Oxford 7 miles Didcot 13 miles

A secluded house in an idyllic, rural position with frontage to the Thames. 4/5 beds, bath, shower/bkfst, office/sed 5, 4 recpts, kt/conservatory, office, box house, swimming pool, outbuildings, approx 75 m (83 yards) river frontage, gardens, paddock. About 1.8 ha (4.5 acres).

Price Guide: £550,000

OXFORD OFFICE 01865 311522 Fax 01865 311523

Finders Keepers

PROPERTY LETTING AND MANAGEMENT

NORTH OXFORDSHIRE

Newly converted stable barn in open

countryside 6 miles west of Banbury.

Available now unfurnished

£120 p/m

Grade II listed stone. Washed village

house for 1st fix. 4 bedrooms,

2 bathrooms. Furnished. Available now.

£110 p/m

NORTHAMPTONSHIRE

Recently renovated farm cottage

on a private estate on Oxon borders.

3 bedrooms, 2 bathrooms.

Available 1st April unfurnished.

£125 p/m

BUCKINGHAMSHIRE

Substantial detached period barn

conversion in a small hamlet

5 miles from Aylesbury.

4 double bedrooms, (2 en suite).

Available now unfurnished.

£130 p/m

Finders Keepers has 5 offices

specialising in the letting of country

properties throughout Northamptonshire,

Warwickshire, Berkshire and Wiltshire.

For more details, call:

Tel: 01295 276766

e-mail: finders@finders.co.uk

or visit our internet site at

<http://www.finders.co.uk>

© 1997 Finders Keepers Ltd

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

FINDERS KEEPERS LTD

ESTATE AGENTS

SPECIALISTS IN COUNTRY PROPERTIES

01295 276766

TRAVEL

Malé: a modern town in an Islamic state

Giles MacDonogh harbours fears for the future of the once-untouched Maldives

Malé is not Venice and an atoll is no lagoon, but you might be forgiven for some momentary confusion while the prettily coloured *dhow* carries you across the waters from the airport to the town. The island is swiftly shattered. Malé is a dusty, largely modern town in an Islamic state. You may feel like slaking your thirst with cold beer, but you cannot: the island is dry. It means cola or pineapple juice and probably an early night.

You will be condemned to a night in Malé if your flight to the Maldives arrives after dark, as night helicopter journeys are not permitted.

The islanders do good business with their stop-over hotels and a clutch of souvenir shops selling goods chiefly imported from India and elsewhere ("No sir, it comes from the south of the Maldives - that is not Australia!"). If you are lucky you may get a helicopter or boat first thing in the morning.

People go to the Maldives to use the resorts which have been installed on the uninhabited islands. There are holiday camps to suit every pocket and every nationality. My flight back to Colombo was like the Tower of Babel: there was even a party of Russians returning lobster-red from a fortnight in the sun.

More and more hotels are being granted licences and Maldivians are growing rich on tourism. Meanwhile the government insists that it will continue to keep the two cultures apart: the narcissistic western sun-seekers, determined to rid themselves of their clothes at the slightest provocation, and the prudish, Muslim fishing communities in the more distant atolls. Few feel that they will succeed.

I flew to Sonevafushi resort on Kunfunadhu Island in the Baa Atoll, 40 minutes north west of Malé. It is worth getting a window seat on the helicopter: the

atolls are extraordinary from the air. They are lagoon enclosing coral rings which occasionally break through the surface of the water to become a patch of sand or a clump of coconut palms. The largest I saw could not have been more than two miles in circumference. Until the arrival of the resorts, fresh water determined which of the islands was inhabitable and thought they had a detrimental effect on morality.

We walked through the scorching, sandy streets of Eydhafushi. There were no cars, and the locals put out mats covered with fish to dry in the sun.

The old way of building, coral stone bricks surrounded with palm thatch, was making way for breeze-blocks and corrugated iron. There was a new mosque, a medical centre, a school teaching up to the equivalent of A-level and a big radio transmitter: the first fruits of western money.

The next day the *dhow* took me in the other direction, to the fishing community on Mahe. Unlike Eydhafushi, it was enchanting. There was no jetty, and to reach shore we had to jump into the shallow water between the prow of the *dhow* and the beach. On the sand were wide-eyed children who had gathered to see the still rare apparition of the white man.

Apart from a little shop selling more imported banalities, Mahe is unscathed. The people are curious and trusting.

We went into their homes and looked at their medieval kitchens and sampled what they were preparing for the long normally hallow-outs of Ramadan.

They kill the occasional hen these days, but otherwise their diet cannot have changed much in two millennia: fish, coconuts, breadfruit, snake gourd and curry leaves, enlivened with imported fruit and spices.

The villagers, led by a canny local schoolmaster, accompanied us on our walk and took us to see the island's pride and joy: a 14-pronged coconut palm growing in a disused cemetery.

Then what seemed like the entire population of Mahe escorted us back to our *dhow*.

The following evening the men of Mahe returned our visit. Led by the schoolmaster they sat on a big mat made from coco-palms and sang and later danced to the accompaniment of a drum. I wanted to know what they were singing about, but they could only tell me that it was a Berber song. It had come a long way from Morocco.

In 10 years this endearing simplicity will change. They will have learned western ways from the tourists. For the Sonevafushi resort it is probably good news. They will have company and holiday-makers will be able to vary their diet by hopping to the other island camps.

I could not help feeling a slight sadness, however, that this was coming to an end, but maybe it does not matter - it is not Venice after all.

The sun shines down from a bright blue sky decorated with fluffy white clouds which, in season, may provide brief lashings of warm

How to describe Anguillians? "They are indeed a rare kind!" / Nowhere will one ever find a people more friendly and hospitable! / People more determined and indomitable! Deeply sincere and extremely religious / They're loyal to Britain, and quite industrious!" So says the official guide to the island: its sounds best to a rap beat.

There seems not to be as much rap music on Anguilla as on some of its Caribbean neighbours: one night club, a beach shack called Johnno's with a sound system audible most of the way to Jamaica, and a quieter neighbour called Pumphouse. Men sit in them, sipping rum, smoking Cuban cigars and reminiscing about their time in Slough.

Anguilla is a West Indian isle, a flat piece of coral 16 miles by three, surrounded by talcum powder beaches. But before outsiders realised the pleasures of visiting these, Anguillians had to work abroad. One community grew up around Slough, within reach of Windsor Castle, and another in New Jersey, one of the latter exiles founded Rastafarianism. Remittances from workers overseas made up much of the island's income.

Now much has changed as tourism has become a big earner and young men have been able to find work at home. Uninterested in swimming and sunbathing themselves, they happily cater for pasty-faced northerners who want to do little else.

The sun shines down from a bright blue sky decorated with fluffy white clouds which, in season, may provide brief lashings of warm

rain. The clear water, over pale sand, is turquoise and gently swelling. What more could you want? A cold drink? Just show the little flag attached to your beach umbrella (outside the Cap Juluca hotel where we stayed) and a waiter will appear.

The Cap Juluca is typical of Anguilla's determination to stay upmarket. It consists of a string of white-domed, Moorish-style villas strung along a mile of white beach amid bougainvillas and sea-grape.

If you think Moorish looks odd here, visit the Souesta Beach Resort, which looks as if it was airlifted direct from Marrakesh with no vernacular architectural style to speak of, apart from corrugated iron, anything goes as long as it is low-rise.

The 50-odd restaurants are classy too: "You'll find our snapper nice and nutritious. And our lobster? Simply delicious." We finished a good meal at the Koal Kee, in a 200-year-old Dutch house, with a 1832 rum as smooth as a fine brandy. At the moment such liquor has to be imported, but a plant is soon to open to produce rum and an Anguilla tequila.

Anguilla was not always so poor. Too poor to support sugar plantations like other islands, it had only part-time slavery: planters, unable to feed their slaves, had to send them home to grow their own food three days a week. As late as 1969 it still had no electricity, telephones or radio station.

This was the moment at which it came to the world's attention. Britain, busy decolonising, wanted to unite it with the not-very-nearby islands of St Kitts and Nevis and make them independent. Since the leader of St Kitts,

Robert Bradshaw, had said his plans involved leaving the people of Anguilla to stick on another's bones, Anguillians decided they would rather remain a British colony. London concluded it was a rebellion and sent in Royal Marines and the Parachute Regiment who were met by islanders waving union flags and singing "God save the Queen". London bobbies followed to restore law and order. "Bay of Piglets," scoffed Time magazine.

Eventually, an embarrassed London pulled out.

London bobbies followed to restore law and order. 'Bay of Piglets,' scoffed Time

The very fact of landing had demonstrated that Anguilla was indeed not independent, so the British had lost by winning. The whole affair would need the combined skills of Kafka, Joseph Heller and Gilbert and Sullivan to do it justice; but the US author Donald E. Westlake's book *Under no English Heaven*, still available on the island, provides a sardonic account.

Since then, it has all been uphill: electricity, telephones, tourists and a deliberately small airport. The 3,000 people, friendly and laid-back, are hardly rich, but there are bungalows scattered evenly on plots of

land all over the island (no slums, not even a real town), some newish Japanese cars and a couple of traffic lights, mostly decorative.

There is little crime - the Cap Juluca's doors have no locks - and the only arrest anyone could remember was a couple of tourists apprehended for nudity; they were taken naked to the police station for fear of destroying evidence.

After 35 years of gentle breezes, the big event of 1995 was Hurricane Luis, which is said to have left the island devastated. (At Cap Juluca, it inconveniently sucked up the sand from outside the biggest villas and deposited it outside cheaper ones.) Tropical plants regenerate quickly: tropical buildings less so, but by now the scars are invisible. If the prospect of once-in-35-years had weather deterred you, avoid late summer. And remember: "Nothing marks the change of season / For it, there seems to be no reason / For the sun, friendly and warm / All through the year emits its charm."

A few miles away is another Caribbean: the French island of St Barthélémy. Only 10 square miles, so posh. Too poor to support sugar plantations like other islands, it had only part-time slavery: planters, unable to feed their slaves, had to send them home to grow their own food three days a week. As late as 1969 it still had no electricity, telephones or radio station.

The narrow streets of the port, Gustavia (named from a brief Swedish occupation when Paris swapped it for a warehouse in Gothenburg), are lined with boutiques and restaurants. The shore is

lined with yachts, and one rusting hulk, courtesy of Luis.

For the numerous beaches out of town you may need a minimoke - and perhaps a spade, for under one of them, it is said, lies buried the treasure of Monbars the Exterminator.

While pirates like Monbars are no longer a problem, turbulence on the Atlantic beaches may be one of them known locally as the Washing Machine. The Caribbean side beach: can be unnerving for a different reason. It is next to the airport; pilots skip sunbathers at one end of the landing strip and a steep hill at the other.

But I hardly went near the beaches because I was staying at Le Toiny hotel, half a mile inland, where every suite has its own private pool, fax machine, mahogany four-poster bed, and peacock in the garden. Among the signatures in the visitors' book are those of Tom Hanks and Brad Pitt, followed by a plaintive note from a lesser guest: "I can't believe I stayed next door to Brad Pitt and never even saw him!"

Yes, this is celebrity island, with comforts to match - there are 60 restaurants for 5,000 inhabitants - and prices too. You can have all the privacy you want (goodness knows who was staying next to me) and you need never know you are in the West Indies.

■ John Westbrooke was a guest of Simply Caribbean (tel 01423 526987). With flights for Anguilla and St Barts via Antigua, a week of Cap Juluca costs from £1,499, and at Le Toiny from £1,965.



Anguillan architecture, in corrugated iron and bright colours: more upmarket spots prefer Moorish style

Another Anguilla sunrise

John Westbrooke savours a determinedly British spirit of freedom

Country Hotels of Distinction

Beautiful parkland settings, superb leisure facilities, fine cuisine, luxurious accommodation and extensive business suites ensure a stay at these magnificent country house hotels is a truly memorable experience, the ultimate in elegance and comfort.

★★★



Ashdown Park

Wych Cross

Nr Forest Row

East Sussex

RH18 5TR

Tel: (01423) 624986

Fax: (01423) 626206

Complete luxury



Tyne Hall
Rotherwick
Hooke
Hampshire
RG27 9AZ

Tel: (01256) 764681

Fax: (01256) 768141

The Perfect Retreat

Ashdown Park and Tyne Hall have a wide range of leisure activities for guests to enjoy. These include swimming, tennis, golf, fitness studios and at Ashdown a health and beauty salon. For the less energetic there are the beautiful gardens to discover and romantic woodland walks.

Country Days of Distinction

Ashdown Park and Tyne Hall offer very special Easter and Springbank breaks. A luxurious short break rate starts at £545.00 per person per night and is inclusive of a full dinner and full English breakfast. Please telephone the hotels for further information quoting code number FT197.

The Green Man is alive and well

He is a 2,000-year-old survivor and may be appearing in a cathedral near you, says Adrian Gardiner

Spewing vegetation, his face gaze down at you. Enigmatic, mysterious, hiding in oak or vine leaves, he symbolises eternity and rebirth. He is the Green Man. In mythology he is descended from Dionysus (Greek), from Bacchus (Roman); and Osiris (Egyptian).

He has appeared as Robin Hood and in the Arthurian tale of Sir Gawain and the Green Knight and is Dantis's Eternal Gardener.

The Green Man is immortal. To date he has had four distinct phases: first in art, where he appears in early illuminated manuscripts such as the Book of Kells as a grimacing head surrounded by foliage.

In the middle ages this image was translated into architecture: carvings of the Green Man appear in many of the great cathedrals of northern Europe. Here is the mystery. Why is a pagan symbol so prominent in great houses of religion?

The east of England is a good place to look for Green

Men, particularly the cathedrals of Lincoln, Norwich and Ely. At Southwell Minster in Nottinghamshire we counted nine, including what experts refer to as an "unmasked" Green Man - without foliage.

Symbolic of mankind's spiritual development, such Green Men are believed to have finished disgorging their leaves and, having done their duty, are free to look beyond the mundane.

In Lincoln, the Green Man is not free. On a column on the west front of the cathedral he is trapped in writhing coils of vegetation. Ely Cathedral was vandalised by Cromwell's soldiers, but at least 10 Green Men survive, including one who sprouts foliage from his ears as well as from his mouth. Ely has one of the best stained glass museums in the country and you can also visit Oliver Cromwell's half-timbered house nearby.

Norwich is home to a famous Green Man. You will find him in the east cloisters

of the cathedral, his face fringed with gilt oak leaves. Down in Kent, Rochester is chiefly known for its Charles Dickens associations, celebrated in an annual street festival. It also has a Jack-in-the-Green festival, as does Hastings in Sussex. A man dressed in leaves is paraded through the streets and it is considered lucky to purloin a leaf or two. These are among the last survivors of once-wide

spread fertility festivals, the spring counterparts of harvest festivals.

Scotland has its Green Men. There are several in Glasgow Cathedral and a particularly hideous one in Melrose Abbey. But Roslin Chapel, south of Edinburgh, has reportedly more than any building in the world - more than 100.

Green Men in the transverse vaults disgorged foliage

which decorates the window surrounds. This wonderfully atmospheric Chapel dates from 1446 and has Masonic and Knights Templar links.

It also has the Prentice Pillar with eight dragons disgorging vegetation carved at its base - an extravagant representation of the Tree of Knowledge carved by an apprentice while his master was away. The envious master mason struck him dead when he returned.

Weathered carvings have been identified as cacti and sweetcorn, prompting speculation that its founder, Sir William Sinclair, crossed the Atlantic before Columbus.

Roslin is crumbling away. The Ministry of Works in the 1920s attempted to halt the degradation of the sandstone by covering the walls with an impervious layer of paint. Sealing in the damp was the worst possible treatment and Roslyn, to give it its original name, is currently undergoing a major programme of dehumidification.

Third phase Green Man stumbled. In the Industrial Revolution and the Victorian

era he rarely appears in art or architecture. Witnessing man's destruction of his environment, the Green Man has gone underground: back to nature.

His rare appearances include the centre of the wrought-iron gates to Kew Gardens, in Surrey, and garden statuary: urns at Sidcup Grange, a Victorian folly in Staffordshire. Not that he is a gatecrasher: this was when botany became a respectable science.

In the fourth phase, the past 20 years, the Green Man has awoken and is in charge of our environmental consciousness. He drew our attention to rainforest and recycling.

His PR department launched the Green Party and the ecology movement. He paved the way for the Gaia theory; that the planet we call home is a self-regulating organism which will survive in spite of man's puny efforts to destroy it.

The Green Man, 2,000 years old, is alive and well and probably appearing in a cathedral near you.

May East Picture Library

The Green Man from a German miracle play

TRAVEL

A trance-like voyage down the Dnieper

Nick Haslam takes a slow boat through Ukraine to the Black Sea, 400 miles downstream

Lazily coiling through Kiev on a hot July afternoon, the Dnieper brought cool, country air into the heart of the stifling city. On the quayside, office workers dawdled slowly back to work after lunch. Big rivers always have a certain presence and this was no exception.

From my vantage point, high on the stern of the General Lavrinenko, a four-decked river boat, I watched the last supplies being carried across the gang plank and then, as mooring warps splashed into the water, the ship gave a blast on its siren and eased away from the wharf. It was the beginning of a voyage which would take us through Ukraine to the Black Sea, 400 miles downstream.

There is a trance-like quality to coasting slowly down a river. Each day, the PA gently woke all 230 passengers from their sleep with a reminder that breakfast was being served, adding in endearing Franglais that for the friends of sport, Viktor awaited on the sun deck for morning gymnastics. Shortly after would come the regular puffing as more than 10 elderly tourists, who surely should have known better, pounded past the window of my cabin in Viktor's vigorous footsteps. This would be my cue to turn over and sleep for another hour.

On the first day I made my way to the ship's library to attend the language classes. As the golden Ukrainian steppe slid by, an engaging woman called Alla, took us patiently through Russian phrases, coaxing from us those sibilants and stresses which make the language so easy on the ear. She informed us that we were following in the footsteps of many illustrious peoples who had traded up and down this river, from at least a millennium before Christ. "Greeks, Romans, Vikings, and Cossacks have all been this way," she said. "And we will be visiting the Cossack stronghold."

That night, I awoke suddenly, conscious of a strange rumbling. The air had an acid taint, and looking out, I saw a vast industrial plant belching jets of vapour. Huge gantries swung scoops of ash into waiting barges, the whole scene lit by a lurid



The lucky ones with work - despite the fact that wages are paid irregularly and are often rendered worthless by huge inflation since independence

glow from hidden furnaces. We steamed past this hellish vision for 15 minutes and then the black siloos of night fell again. Next day, half convinced that I had dreamt it all, I checked on the map to find that the ship had passed through Dnepropetrovsk, one of the Ukraine's largest steel towns.

At 8am, after negotiating out of the biggest locks on the river, with a drop of more than 100ft, the General Lavrinenko moored at Zaporoshie. The town, in addition to its huge dam, has a reputation of being one of the smokiest places on earth. In

what must surely be a throwback to intourist tours of pre-perestroika days, we were taken first to the hydro-electric power plant, built by forced labour in the 1930s. On the consoles of the generating room, a few supervisors dozed in the mid-day heat. The Dnieper was running low, they said, and only one turbine was turning. We emerged, blinking in the fierce sun, and stood at the foot of a magnificent statue of Lenin overlooking the river. Where I wondered, was the smog.

"Industry in the Ukraine," said Alla, "is only running at 50 per cent capacity or less." What the economy loses, the environment gains. Zaporoshie is dear to the hearts of Ukrainians as the stronghold of the Cossacks, adventurers and fugitives who bad settled on this remote part of the Dnieper in the 15th century. For three centuries Cossack mercenaries were formidable warriors in the many wars that swept Central Europe, as Sweden, Russia and Poland battled for supremacy. In light swift galleys they raided ports in the Black Sea and beyond. Finally, too powerful for their own good, they were defeated and dispersed by

the soldiers of Catherine the Great, empress of Russia.

Now, as the country struggles to stand on its own feet after declaring independence from the Soviet Union in 1991, Ukrainian Cossacks have become a potent symbol for the newly emergent nationalism. We visited the museum, where paintings and a huge diorama re-created life on the Dnieper more than two centuries ago. It was easy to understand the romantic myth of the Cossack, who took orders from no one except his own chieftain, at a time when so many were enslaved as serfs. But our

guide Aria was sanguine.

Walking back through the ponderous Stalinist architecture of Zaporoshie to the ship, we passed little impromptu pavement markets, where people sold bizarre selections of merchandise, from single boxes of matches to bright pink crayfish.

"There is terrible unemployment," Alla said, "and even those in work often don't get their wages for months." Huge inflation since independence had rendered salaries and pensions practically worthless overnight, forcing people to trade what they own for food.

Some Ukrainians, in spite of the example of their independent forbears, believed that reunification with Russia was the only hope for the country. That afternoon, in our carefully planned menu, we had a meal in an air-conditioned restaurant on the General Lavrinenko steamed down river, passengers looked, I thought, a little chastened.

The following day, the river slipped receded and the river seemed to lose strength meandering sluggish through marshy lowlands. We were entering the delta of the Dnieper and, as dusk fell, the General Lavrinenko

began to pitch gently as we finally came into the calm waters of the Black Sea. I was on deck even before the energetic Viktor sat morning to see the high mountains of the Crimean loom above Sevastopol. The massive harbour, base of the Black Sea Fleet, bustled with shipping of all kinds. Until the year before, this entire area had been out of bounds for all foreigners, but now, as we came alongside the mole, a naval brass band played us in with a welcome anthem.

Ownership of the Black Sea Fleet is still disputed between Russia and the Ukraine, but there was no hint of tension here. On the wide tree-lined boulevard beside the sea, sailors with their girlfriends posed for street photographers, and parents walked arm-in-arm with their uniformed sons. Violinists played in the crowded pavement cafés, and with street children begging scraps of food, there was the raffish air of a Mediterranean resort from years ago.

It was my last day with the General Lavrinenko, which would leave that evening for Odessa before returning to Kiev. Reluctantly I packed my bags before joining the final excursion to the ancient Greek settlement of Kher-

sone. On a rocky headland 3km from Sevastopol, the partially excavated lines of streets and foundations, which date back to the 4BC, stretch for a kilometre along the coast. From the rocky beach where galleys from Italy and Greece must once have unloaded cargo, family groups picnicked and swam. It was an irresistible temptation. Ducking behind the shattered pillars of an early Christian church, I changed and then swam far out into the clear warm sea.

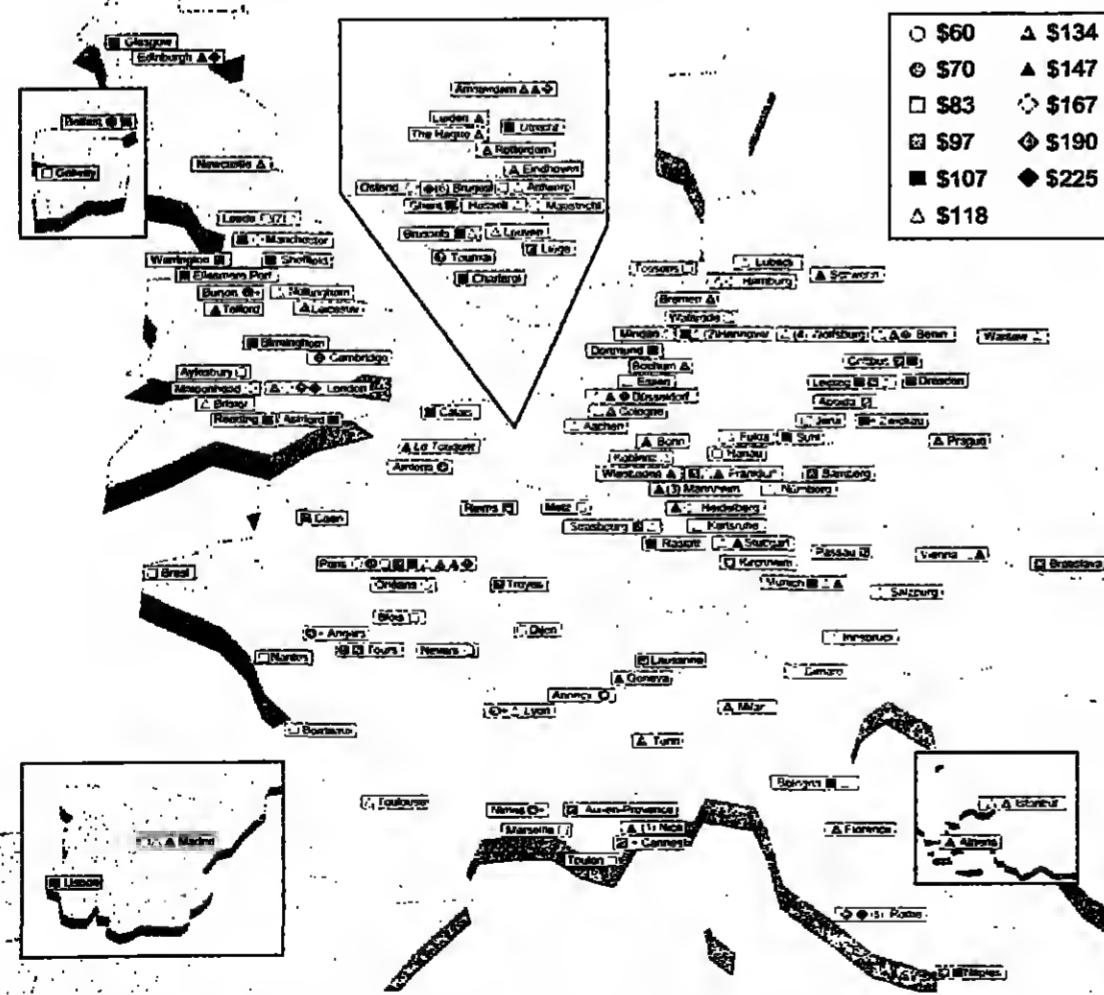
Drifting and looking back at the high mountains lined with cypress groves, it was a perfect end to my journey.

■ Nick Haslam's flight to Ukraine was organised by Bob Sopel Ukrainian Travel (tel: 0161-632 5050). Return flights from Heathrow to Kiev with Austrian Airlines start at £1,095. Two-week cruises, including flights, start at £1,095 and operate each year from May until September.

WEEKENDER PLUS - SPRING BREAKS

209 HOTELS - 136 DESTINATIONS

GREAT VALUE WEEKEND BREAKS FROM ONLY \$60 PER ROOM PER NIGHT
BREAKFAST INCLUDED FOR UP TO TWO ADULTS AND TWO CHILDREN



PLUS: BAHRAIN, EGYPT, FINLAND, ISRAEL, KUWAIT, MALTA, MOROCCO, OMAN, SAUDI ARABIA, U.S.A., ZIMBABWE.
* Opening soon. (1) FF 200 extra. Holiday Inn Resort Nico-Por St. Laurent from \$77 to \$149/27. (2) DM 4 extra. (3) DM 12 reduction. (4) LUF 102,000 extra. (5) RP 2,000 reduction on Sunday night. (7) £ 4 reduction.

Up to two adults and two children aged 12 and under sharing their parents' room are entitled to free breakfast; at the majority of hotels they also eat free from the kids' menu during lunch and dinner when dining with their parents. Rates are valid at participating hotels on Fridays, Saturdays and Sundays from 1 March to 30 September 1987. Special rates may also apply mid-week. Bedding is subject to availability of rooms allocated to other offers and are not combinable. The £ 4 reduction applies to the approximate equivalent of the standard local price. For full terms and conditions, please refer to the Weekender Plus brochure.

FOR RESERVATIONS CALL TOLL-FREE from Belgium: 0800 1 99 77, France: 0800 905 999, Germany: 0130 81 51 31, Italy: 1678 77 399, Netherlands: 0800 022 11 55, Spain: 900 99 31 19, Switzerland: 0800 55 11 75, U.K.: 0800 897 121. All other countries: 31-20 606 02 22 (not toll-free).

Holiday Inn®

Skiing

Give way to gravity

Arnie Wilson finds a new guru and learns to carve without poles

I threw away my poles and with one huge carved turn - as if on rails - I was free. Plunging down manicured ivy slopes cut through forests of oak, pine, birch and maple in New England's White Mountains. I gained a sudden and supreme insight into the joys of snowboarding without the pain of having to learn.

I was testing the new fat red Elan XCS extreme carving skis - due for release next year - on Loon Mountain.

To ski them as the manufacturers intended, I was breaking most of the rules I had been working so hard on a fortnight earlier on conventional skis: I was following the direction of my skis with my shoulders (normally taboo) and rotating, instead of pointing my chest down the mountain. I was in danger of thinking and skiing like a snowboarder.

There was a paradox about skiing without poles. "The best way of improving your pole plants is to ski without them," said Dan Egan, extreme skier, and my latest guru.

I have always been rather proud of my concept that gravity is "the secret fuel" of skiers. But how do you use it to ski better? The tip Egan gave me next provided some clues.

In his book *All Terrain Skiing*, written with his Romanian wife Mihaela, now in training for her fourth Winter Olympics, Egan suggests: "pretend a rope has been tied around your chest, and someone is pulling you downhill." Gravity does all the work for you.

To help you get the idea, he even suggests walking down the mountain to establish the relationship with gravity-pull. The idea is to get you perpendicular to the slope, taking the weight of the tails and allowing your skis to do what they're designed to do - finishing



Freak-out factor: Dan Egan says 'just let go'

Peter Gray/Full Line

your turns. But this is not the same as leaning forward, more a question of abandoning your body to gravity and allowing it to fall down the mountain. Your legs and skis are almost bound to follow. It is difficult to accept mentally, but once you have "let go" the manoeuvre allows your skis to carve and turn more effortlessly.

Mihala and Dan first met

when he went to Romania to film a skiing video and found her cutting branches from a forest to make rough slalom poles. She is (now a top racer on the US women's Pro Tour circuit.

So what happens when you return your extreme carving skis to their rightful owners and revert to "normal" skis? You go straight back to the "old" rules.

To get the most out of racing skiing these days, it seems as if one must have a whole repertoire of skills and style. There are no longer any fixed rules; which is confusing for beginners, who are told they can ski two-footed if they wish - or with all their weight on the outside ski.

Much as Egan wants to improve everyone's skiing he feels it cannot, indeed

be made too easy. "We mustn't soft-sell skiing," he says. "It will always be a physical sport."

"The best carving skis in the world are not going to take the couch potato into a good skier. In the end it's the pilot, not the craft that's most important."

And to reassure skiers that there is still more to skiing than the perfect carved turn, here are some encouraging thoughts from Tay-Crespi, another New England guru, writing in *New Hampshire's Ski Week*:

Nowadays, skidding has gone bad name. But truthfully, learning to skid is still an important skill. So practice skid for steep or icy piste. If you watch elite model skiers, you will notice the one way to master the moguls is to use a skidded turn, honestly, not everyone carves all the time."

Prize.

■ Arnie Wilson was taking part in Fall Line magazine's New England Ski Test 97. He flew to Boston with American Airlines (reservations: 0345-37789) and stayed at the Woodard's Motor Inn, Lincoln, New Hampshire.

Winner at last

British Martin Bell and his Australian team mate Stevenson won the "King of the Mountain" downhill series, beating Austria, Swiss, Canadian, German and US teams in the final at Vail, Colorado.

Bell's share of the prize for the series of races, in which times Olympic and World Cup downhillers compete, is \$1,000, far more than he earned in his career as a skier.

"For the first time in my life I've earned my debts," he said. His girlfriend Lucy Sullivan was overwhelmed and burst into tears at the finish. Ed, eighth in the Calgary Olympics, said: "At last a British skier has won something."

INTERNATIONAL ARTS GUIDE

What's on in the principal cities**ADELAIDE****EXHIBITION**

Art Gallery of South Australia Tel: 61-8-2077000
 ● The Weimar Republic: German Prints and Drawings 1918-1933: exhibition of 150 works presenting a survey of German art during the time of the Weimar Republic. Artists represented include Max Beckmann, Otto Dix, George Grosz and Käthe Kollwitz; from Mar 14 to Apr 27.

AMSTERDAM**JAZZ & BLUES**

Concertgebouw Tel: 81-20-6718345
 ● Lincoln Center Jazz Orchestra: with conductor and trumpet player Wynton Marsalis and vocalists Cassandra Wilson and Jon Hendricks perform Marsalis' "Blood on the Fields"; Mar 11

BARCELONA**CONCERT**

Palau de la Música Catalana Tel: 34-3-2681000
 ● Gundula Janowitz performance by the soprano, accompanied by pianist Charles Spencer. The programme includes works by Schumann and Schubert; Mar 10

BERLIN**CONCERT**

Konzerthaus Berlin Tel: 49-30-203000
 ● Sinfonieorchester des Mitteldeutschen Rundfunk: with conductor Johannes Kalitzke and pianist Gerhard Oppitz perform works by Smolka, Matthüs, Spangler and Birtwistle. Part of the 16th Musik-Biennale Berlin; Mar 15
 Philharmonie Berlin - Grosser Saal & Kammermusiksaal Tel: 49-30-2614383
 ● Berliner Sinfonietta: with conductor Michail Jurowski, performs works by Schubert, Mozart and Shostakovich; Mar 12

OPERA

Deutsche Oper Berlin Tel: 49-30-3438401
 ● Aida by Verdi. Conducted by Stefan Soltész, performed by the Deutsche Oper Berlin. Soloists include Ute Walthier and Vladimir Bogachov; Mar 13
 Staatsoper Unter den Linden Tel: 49-30-20354438
 ● Il Barbieri di Siviglia: by Rossini. Conducted by Sebastian Wagle, performed by the Staatsoper Unter den Linden. Soloists include Jeffrey Francis, Gerd Wolff and Janet Williams; Mar 10, 14

THEATRE

Berliner Ensemble Tel: 49-30-26408
 ● Brecht's Haupstosse: special series of performances celebrating Brecht's 95th birthday and featuring appearances by members of Kinderchor der Komischen Oper and the Berliner Ensemble; to Mar 8

BRUSSELS**CONCERT**

Palais des Beaux-Arts Tel: 32-2-5078200 (Concerts)
 ● Talich Quartet: perform works by Mozart, Stravinsky and Dvorák; Mar 10

CHICAGO**CONCERT**

Chicago Orchestra Hall Tel: 1-312-294-3000
 ● Chicago Symphony Orchestra: with conductor Georg Solti and the Chicago Symphony Chorus perform works by Stravinsky and Mozart; Mar 14

COLOGNE**CONCERT**

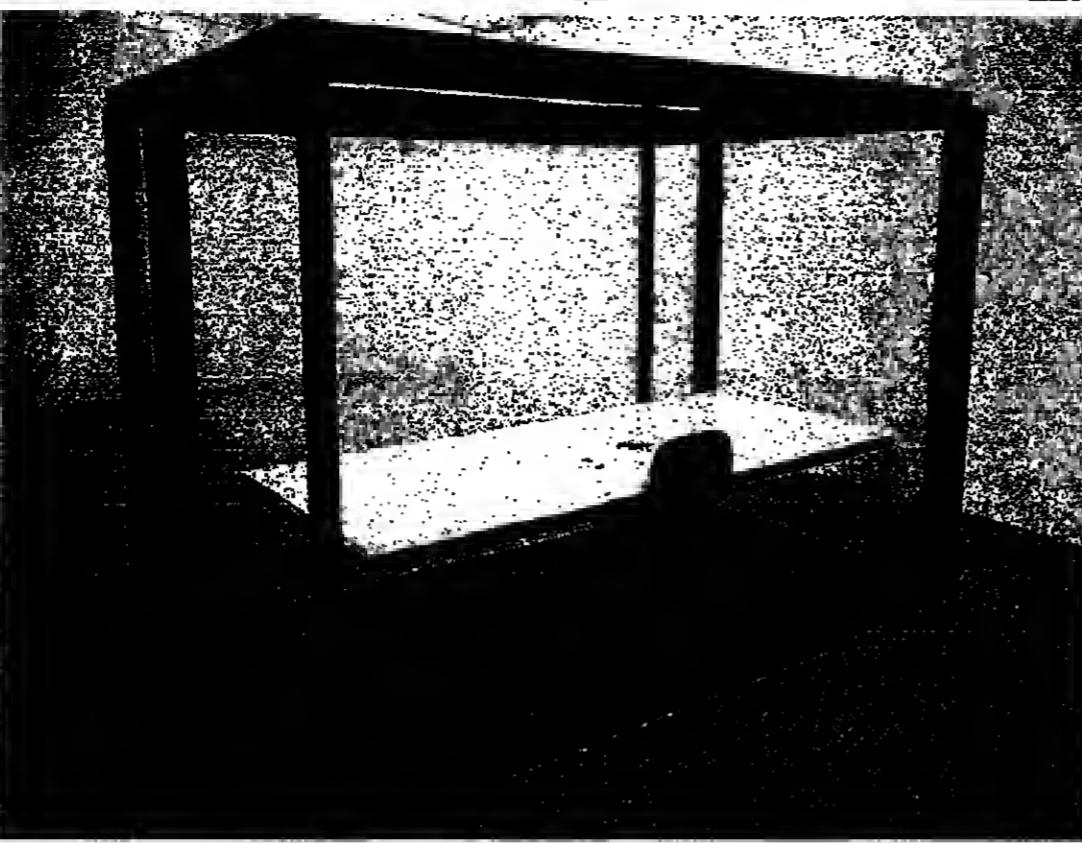
Kölner Philharmonie Tel: 49-221-204080
 ● Radio-Philharmonie Hannover: with conductor Eiji Oue and cellist Truls Mørk perform works by Hanson, Elgar and Beethoven; Mar 14

EXHIBITION

Wallraf-Richartz-Museum Tel: 49-221-2212372
 ● Tiepolo und die Zeichenkunst Veneziana in 18. Jahrhundert: exhibition featuring drawings, sketches and designs by the Venetian artist Giovanni Battista Tiepolo (1696-1770), his sons and followers. The main focus of the exhibition is the period in which Tiepolo worked on the decorations for the palace of the archbishop at Würzburg. Also featured in the exhibition are drawings by other Venetian masters, including Ricci and Guardi; from Mar 12 to May 11

DETROIT**EXHIBITION**

The Detroit Institute of Arts Tel: 1-313-933-7963
 ● Images in Ivory: Precious Objects of the Gothic Age; this exhibition features about 100 surviving examples of ivory carvings. Offering a rare view of private life during the Gothic period (13th through 15th-century Europe), the exhibition includes mirrors, comb and boxes decorated with themes from romance literature, as well as statuettes and relief carvings displaying biblical themes. The



Damien Hirst's 'The Acquired Inability to Escape' can be seen in Dublin

to Jul 6

SINGAPORE

CONCERT Victoria Concert Hall Tel: 65-3381230
 ● Singapore Symphony Orchestra: with conductor Lan Shui and the Singapore Symphony Chorus perform works by Brahms. Part of the Brahms Centenary Celebration; Mar 14, 15

STRASBOURG**CONCERT**

Palais de la Musique et des Congrès Tel: 33-388 37 67 67
 ● Hélène Grimaud: the pianist performs works by Bach, Beethoven and Brahms; Mar 11
 Théâtre Municipal de Strasbourg - Opéra du Rhin Tel: 33-388 75 48 00

● Orlando: by Händel. Conducted by William Christie, performed by Les Arts Florissants. Soloists include Patricia Bardon, Rose-Marie Joshua and Harry Van der Kamp; from Mar 13 to Mar 19

SYDNEY**CONCERT**

Sydney Opera House Tel: 81-2-250-7127
 ● Sydney Symphony Orchestra: with conductor Edo de Waart and pianist Stephen Kovacevich perform works by Brahms and Stravinsky; Mar 13

THE HAGUE**EXHIBITION**

Mauritshuis Tel: 31-70-3023456
 ● Kunst op Vluchten: exhibition of Flemish, German and Dutch triptych works, including a piece by Dutch painter Gerard David ("Driekoningen met de geboorte van Christus"), the three paintings that constitute the triptych being reunited for the first time since the 1830s; to Jun 22

TOKYO**CONCERT**

Suntory Hall Tel: 81-3-35849999
 ● Margaret Price: performance by the soprano accompanied by Thomas Dewey. The programme includes work by Wolf and Strauss; Mar 12

PARIS**CONCERT**

Cité de la Musique Tel: 33-1 44 84 45 00
 ● Orchestre Révolutionnaire et Romantique: with conductor John Eliot Gardiner and violinist Thomas Zehetmair perform works by Schumann; Mar 15

Théâtre des Champs-Elysées Tel: 47-22 49 52 50 50

● Katia and Marielle Labèque: the pianists perform works by Mozart and Tchaikovsky; Mar 11

DANCE

Théâtre National de l'Opéra - Opéra Garnier Tel: 33-1 42 66 50 22
 ● Nederlands Dans Theater: perform Kiyoko's choreographies "Whereabouts Unknown" to music by Pärt, Webern, Reich, Ives and de Rou, "Compass" to music by Stockhausen, "Sweet Dreams" to music by Webern and "Sechs Tänze" to music by Mozart; Mar 13, 14, 15, 16, 17

OSLO
EXHIBITION
 Fundación Cultural Mapfre Vida Tel: 34-1-5811628
 ● La Pintura Simbolista en España: display of 60 works by more than 30 Spanish artists from the second half of the 19th century, including Rusiñol, Nonell, Núñez, Viladrich, Egusquiza and Camarasa; to Apr 6

MUNICH**DANCE**

Grande Auditório da Fundação Gulbenkian Tel: 351-1-7935131
 ● Ballet Gulbenkian: perform "Earth Apples" to music by Sosa, choreographed by Itzki Galili, "Wolfgang... Bitte" to music by Mozart, choreographed by Rui Hora and "Lunar Lodia Fragmentado" to music by Brandt, choreographed by Rui Hora; Mar 12

LISBON
EXHIBITION
 Grande Auditório da Fundação Gulbenkian Tel: 351-1-7935131
 ● Ballet Gulbenkian: perform "Earth Apples" to music by Sosa, choreographed by Itzki Galili, "Wolfgang... Bitte" to music by Mozart, choreographed by Rui Hora and "Lunar Lodia Fragmentado" to music by Brandt, choreographed by Rui Hora; Mar 12

FLORENCE
CONCERT
 Victoria Hall Tel: 41-22-3283573
 ● Northern Symphonies: with conductor Heinrich Schiff and pianist Christian Zacharias perform works by Dutilleux, Mozart and Beethoven; Mar 14

GENEVA**CONCERT**

Victoria Hall Tel: 41-22-3283573
 ● Northern Symphonies: with conductor Heinrich Schiff and pianist Christian Zacharias perform works by Dutilleux, Mozart and Beethoven; Mar 14

MADRID
EXHIBITION
 Fundación Cultural Mapfre Vida Tel: 34-1-5811628
 ● La Pintura Simbolista en España: display of 60 works by more than 30 Spanish artists from the second half of the 19th century, including Rusiñol, Nonell, Núñez, Viladrich, Egusquiza and Camarasa; to Apr 6

MUNICH**DANCE**

Cuvilliés-Theater - Altes Residenztheater Tel: 49-89-298836
 ● Bayerische Staatsballett: perform "Sinfonia in C" to music by Bizet, choreographed by Balanchine, "Chamber Symphony" to music by Adams, "Swadebla" to music by Stravinsky, choreographed by Kiyoko. The opening event of the Ballet Week 1997; Mar 15

Prinzregententheater Tel: 49-89-4702670
 ● Woud: choreographed by Anne Teresa De Keersmaeker to music by Schönberg, Berg and Wagner, performed by Rosas, the Duke Quartet, Helen Kamminga and Sophie Huisman; Mar 15

NEW YORK**CONCERT**

Alice Tully Hall Tel: 1-212-875-5050
 ● Peter Schreier and Andreas Schiff: the tenor and the pianist perform works by Schubert; Mar 14, 15
 Avery Fisher Hall Tel: 1-212-875-5030
 ● New York Philharmonic: with conductor Sir Colin Davis and mezzo-soprano Marcella Hazzačevi perform works by Berioz and Brahms; Mar 13, 14, 15

PRAGUE**EXHIBITION**

Národní galerie v Praze - National Gallery of Prague Tel: 42-2-232 93 31
 ● Surrealist Imagery and Drawing 1930-1996: exhibition surveying the strong Czech history of Surrealism, focusing on drawing. The display traces the movement from its conception in the 1930s, life under communist rule (when the movement was forced underground) and its present day status. Artists with work on display include Effenberger, Novák, Teige and Medeková; to Jun 9

ROME**CONCERT**

Accademia Nazionale di Santa Cecilia Tel: 39-6-3611064
 ● Orchestra dell'Accademia di Santa Cecilia: with conductor Vladimir Spivakov perform works by Mozart, Pärt and Shostakovich; Mar 15, 16, 17, 18

SAN FRANCISCO**CONCERT**

Louis M. Davies Symphony Hall Tel: 1-415-864-6000
 ● San Francisco Symphony: with conductor Michael Tilson Thomas, flutist Paula Robison, tenor Jerry Hadley and baritone Thomas Hampson perform works by Bernstein and Mahler; Mar 12, 13, 15, 16

DETROIT**EXHIBITION**

Lytleton Theatre Tel: 44-171-9210631
 ● Lady in the Dark by Gershwin and Well. Directed by Francesca Zambello. The cast includes Maria Friedman, Paul Shelley and Steven Edward Moore (premiere); Mar 12

OPERA

Royal Opera House - Covent Garden Tel: 44-171-2129234
 ● Die Meistersinger von Nürnberg: by Wagner. Conducted by Bernard Haitink, performed by the Royal Opera. Soloists include Nancy Gustafson, Catherine Wyn-Rogers,

CHINESE

China's rising chess status was highlighted last week when a grandmaster trio from Beijing scored 3-0 against three English GMs in the opening round of a challenge match. The UK trio, led by the British champion Chris Ward, fought back to level at 6-6 before blunders in the final round gave China a 10-8 victory.

The best home win of the match showed why experts need to sense when to break traditional maxims and rules of thumb used by amateurs. Instruction books recommend early castling and counsel against too many queen and pawn moves in the opening; yet here from moves 10-19 Black moves only queen and pawns while keeping his king in the centre.

At the end of the sequence, he has a won game (Xiaomin Peng v Neil McDonald).

1 e4 e5 2 d4 d5 6 c3 c4 3 Nc3 f5 4 Bd7 6 Be2 5 Bd3

5 Bxf5 Ng7 7 0-0 cxd4 8 cxd4 Nf5 9 Ne3 Rc8 10 Kh1? 10 Qe2? prepares a later 10...Qb6 11 Ne4 Gc5 12 Bd2 Qd6 13 Be1 Ne5 14 Bd3 g5! undermining White's centre and plan-

SYDNEY**CONCERT**

Sydney Opera House Tel: 81-2-250-7127

● Sydney Symphony Orchestra: with conductor Edo de Waart and pianist Stephen Kovacevich perform works by Brahms and Stravinsky; Mar 13

SYDNEY**CONCERT**

Sydney Opera House Tel: 81-2-250-7127

● Sydney Symphony Orchestra: with conductor Edo de Waart and pianist Stephen Kovacevich perform works by Brahms and Stravinsky; Mar 13

SYDNEY**CONCERT**

Sydney Opera House Tel: 81-2-250-7127

● Sydney Symphony Orchestra: with conductor Edo de Waart and pianist Stephen Kovacevich perform works by Brahms and Stravinsky; Mar 13

SYDNEY**CONCERT**

Sydney Opera House Tel: 81-2-250-7127

● Sydney Symphony Orchestra: with conductor Edo de Waart and pianist Stephen Kovacevich perform works by Brahms and Stravinsky; Mar 13

SYDNEY**CONCERT**

Sydney Opera House Tel: 81-2-250-7127

● Sydney Symphony Orchestra: with conductor Edo de Waart and pianist Stephen Kovacevich perform works by Brahms and Stravinsky; Mar 13

Weekend Investor

Wall Street

Foreigners rush to support Uncle Sam

The demand for US securities is soaring. John Authers examines why

US capital markets owe foreigners a debt. While much research has been devoted to the huge sums being routed into equities by American small investors through mutual funds, rather less ink has been spent explaining why foreigners are falling over themselves to lend money to the US government.

Figures released last week by the Securities Industry Association (SIA) show that, in 1995 and 1996, foreign demand for treasuries exceeded the total amount borrowed by the US federal government. In the first three quarters of last year, foreign investors acquired \$260bn of US securities.

This put purchasing of securities on course to reach \$335bn, an increase of 43 per cent on the previous year's record.

Total foreign holdings of US treasury bonds topped \$1,000bn for the first time by the end of last September, accounting for more than 30 per cent of all privately held government debt, a new record.

Foreigners also seem happy to lend money to US companies. The report shows that 14 per cent of all US corporate bonds are owned by overseas investors.

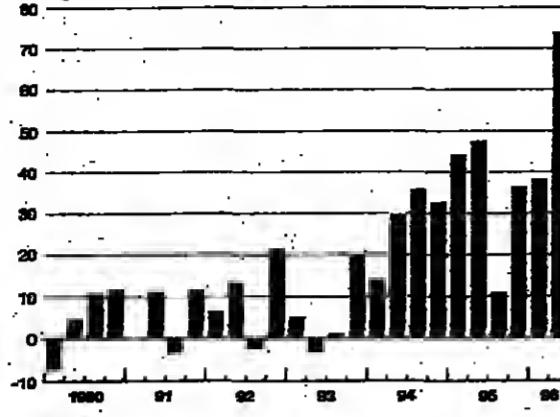
This could have a potent impact beyond the bond market. For the past few months, bond traders have shown a much greater propensity than their colleagues in the stock exchange to react to any sign that monetary tightening is on the way. Bond yields have jinked upwards every time Alan Greenspan, chairman of the Federal Reserve, has uttered a veiled threat about raising interest rates.

Bonds removed their effective support for equities some months ago, with the 30-year benchmark treasury bond now oscillating so that it offers a yield of between 6.5 and 6.9 per cent – strong competition for over-valued shares.

Without the flow of funds from outside the US to keep bond prices up, and yields down, it is easy to imagine bond yields returning back above 7 per cent, where they spent much of last year. That could have sent a signal about equities which could not be ignored, and

Foreigners fill US coffers

Foreign investors' acquisitions of US treasuries (\$bn)



pushed share prices down.

The willingness of foreigners to lend to corporate America juxtaposes intriguingly with their equivocal attitude to the Wall Street stock market.

This has meant that many international fund managers missed out on the prolonged bull run of the past two years.

According to the SIA, for signs investors actually invested themselves of \$540m in US stocks during the third quarter of last year. This was in sharp contrast to the \$20.3bn they were prepared to lend to US companies through buying corporate bonds.

It suggests that the international investing community is confident about the long-term economic outlook for the US, and hence is happy to lend the government money, but is rather less impressed by the price valuations of individual stocks available on the stock market.

To even greater Wall Street glee, the figures also showed that, in February, the rest of the US barely paid itself any more than it had in January. Average hourly earnings rose by a niggardly three cents to \$12.09 during the month.

This hardly indicated the kind of wage inflation to provoke reprisals from Greenspan. So, bonds and stocks both enjoyed a good morning, with the Dow Jones Industrial Average edging above 7,000 for the first time in two weeks.

Dow Jones Ind Average

Day	Price	Change	20 week	High	Low
Monday	6918.92	+41.18	6912.0	6912.8	6872.8
Tuesday	6832.72	-68.20	6832.72	6832.72	6832.72
Wednesday	6945.95	+93.13	6945.95	6945.95	6945.95
Thursday	6944.70	-1.15	6944.70	6944.70	6944.70
Friday					

Without the flow of funds from outside the US to keep bond prices up, and yields down, it is easy to imagine bond yields returning back above 7 per cent, where they spent much of last year. That could have sent a signal about equities which could not be ignored, and

London

The Greenspan effect

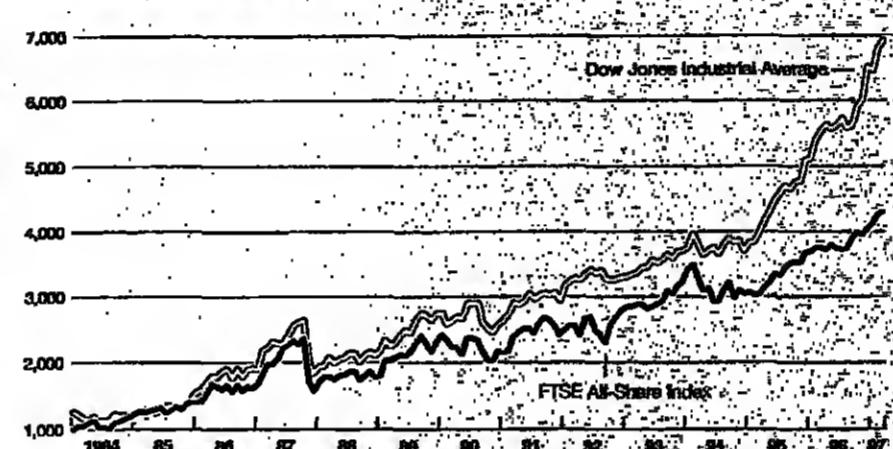
Philip Coggan sees Foothsie post another record

Ever been at a party where everyone but you is drunk, or attended a play which leaves you cold but has the audience laughing uproariously? The stock market was in one of those puzzling phases this week.

The FTSE 100 index, and the other main indices, chalked up all-time highs but there was little in the way of domestic news to explain the enthusiasm. Kenneth Clarke, the chancellor, met Eddie George, the governor of the Bank of England, and did not raise interest rates. But no one expected him to.

The results season passed without any great alarms but with minor disappointments and pleasant surprises equally balanced. There were political stories in abundance, but none to alter the likelihood that the general election will take place on May 1.

Wall Street streets ahead



■ Highlights of the week

	Price y'day	Change on week	20 week	High	Low	Wall Street ruler
FTSE 100 Index	4420.3	+12.0	4420.7	3612.8	3612.8	Wall Street ruler
Arig Wiggins	195	+31%	211	149	149	Good results
BTI	276	+37%	307	223	223	Strong earnings, price cut
British Aerospace	13556	+7%	13586	737	737	Kleinwort Benson recommendation
British Airways	661	+30%	672	464	464	Traffic figures
Cadbury Schweppes	539	+31%	546	454	454	Attention to shareholder value
Close Bros	421%	+40%	422	307%	307%	Good results
Commercial Union	732%	+49%	738	550	550	More bad numbers
GKN	1020	+61%	1188	778	778	Results, recovery
Logica	1042%	+8%	1042%	459	459	Good results
MFI Furniture	157	+40	209	148	148	Slow slow down
Pace Micro Tech	97%	+10%	242	80	80	Rally after profit warning
Rolls-Royce	250%	+23%	270	184%	184%	Dividends, improved forecast
Smith & Nephew	183%	+3%	217	174	174	Static profits & no bid
Southern Electric	440%	+42	457	304%	304%	Share buy-back



Which way did the markets go?

Kobal Collection

For an explanation of the market movements, one is forced to look – yet again – across the Atlantic and at the Delphic utterances of Alan Greenspan, the chairman of the US Federal Reserve.

Last week, Greenspan seemed to renew his warnings about the over-valued state of the US stock market.

This week, his comments were much more benign, and he was explicit in ruling out an increase in interest rates merely to prick a stock market bubble.

At the start of the week, European stock markets were roaring ahead despite a wobbly Wall Street and people were starting to talk about "decoupling". Essentially, the argument is this. With the US close to the peak of the economic cycle (and interest rates likely to rise at some stage) but Europe much closer to the bottom (with the possibility of further interest rate declines), there is no reason why the markets should move together.

The UK, as usual, sits somewhere between Europe and the US, since its economic cycle is more advanced than its continental neighbours and its next move in interest rates is expected to be up. But, as the graph shows, London has singularly failed to keep pace with Wall Street's massive advance.

Why, therefore, should London follow Wall Street blindly on the way down? By Thursday, this question was appearing academic as Wall Street recovered and markets moved up in tandem.

But it could be revived again if the US equity market does finally crack.

This was also a week in which the market had the chance to consider some longer-term issues. The government unveiled a proposal for pensions reform in which the basic pension and Serps

(the state earnings-related pensions scheme) will be replaced by individual "pension funds" financed by rebates from National Insurance contributions.

The idea is that people will invest their rebates (\$9 a week for everyone, an additional 5 per cent of earnings subject to NI payments for those in Serps) to build a pension fund on retirement.

This might be a bonanza for those in the insurance and fund management industry – but will it be good news for the markets?

After all, it will create a whole new group of people whose fortunes are tied to the stock market; in the US, the growth of 401 (k) personal pension funds has been cited as one of the factors supporting the long bull market.

The effect will take a long time to build up, though. It will not be until the end of the next parliament that the contributions start (and then only if the Conservatives are re-elected).

In the first year, the new money for investment will be \$320m, rising to \$640m in the second year and so on.

That is a large sum, but far smaller than the \$50bn of cash that flowed into institutions in the first three quarters of last year. Contributions will reach around \$14bn in 2040 – but that is way beyond the horizon of even the most Warren Buffet-style long-term investor.

Meanwhile, Dredner Kleinwort Benson (DKB) points out that the 1993 Pensions Act, with its minimum funding requirement (MFR),

will start to force pension funds away from their heavy dependence on equities. Funds will have to prove their solvency, with employers making up the difference if there is a shortfall.

"Although most funds would currently pass the MFR test, trustees are increasingly likely to heed the voices of caution," says DKB. "Actuaries will demonstrate that aggressive investment policies, with high equity weightings, run a higher risk of failing below the threshold."

The act's model for the average fund shows a much higher gift exposure than funds now possess, and has no allowance for overseas assets. This could prompt funds to sell some overseas holdings.

An additional complication is that a fall in the market might push some well-financed funds closer to the MFR threshold. This would make them move nearer to the model portfolio – forcing them to sell equities into a downturn.

"The government has unintentionally introduced a major destabilising force into the domestic market and into overseas equity markets where the UK investor dominates," DKB adds.

Last week's London column referred to the Southampton, Isle of Wight and South of England Royal Mail Steam Packet Company – better known as Red Funnel. The accompanying photograph mistakenly showed a Wightlink ferry.

Tony Jackson

Stopping the juggernaut

Privatising pensions will be hugely expensive

The UK government's plans to privatise state pensions have caused a distinct flurry in investment circles.

The change would not take full effect for decades, and few suppose the Tories will be around after May to enact it. But the idea has been launched and, for those who make a living managing others' savings, it means business.

The effect on the markets would be less dramatic, but hardly trivial.

Forty years on, annual contributions for privatised pensions are projected at £14bn, almost half the size of today's cash flow for the whole UK pension fund industry. Put another way, pension funds under management today total \$650bn. On the government's calculations, the new scheme eventually would create funds worth the same again.

But it would not do to get bogged down in detail. Let us work on two hypotheses: that the Tories will not survive to pursue this particular scheme, and that something like it is going to happen anyway.

The starting point is that the Chilean approach to privatised pensions, on which the UK scheme is (broadly) modelled, has become an intellectual fashion worldwide. Australia privatised its superannuation system recently and the US is discussing switching its social security fund into equities.

The UK Labour party's position on this is ambiguous. Officially, it will not countenance

1 per cent of GDP – too small to have a galvanising effect. The real question is whether privatising pensions would increase savings in total.

Oddly enough, this is unclear. As my colleague, Martin Wolf, pointed out earlier this week, those countries with the highest reliance on funded pensions already – the UK and US – have lower savings ratios than Japan and Germany, where reliance on funded pensions is tiny.

Perhaps this should not surprise us. Speaking personally, I place more faith in trust law than I do in politicians. If my

creations have created a surge of demand for mortgage-backed securities.

Similarly, it would not be surprising if reform in the UK created extra demand for index-linked bonds. After all, if a privatised pension is to be compulsory, the money needs to be invested with extra caution.

It might be objected that a funded system which relies on indexed-gifts is not really funded at all, since it creates an open-ended liability for the taxpayer. But there might be demand for indexed bonds from the regulated utilities, for instance, which operate on an inflation-linked basis in the first place.

One final word of caution. Pensions are a highly technical business, and the views of professionals normally carry a certain weight. Faced with a privatisation bonanza, though, they become deeply interested parties. When concrete proposals come along, the rest of us must study the fine print and draw our own conclusions.

Offshore managed funds and UK managed funds are listed in Section One

Global Investment Management

James Capel Investment Management's experienced team of portfolio managers specialises in looking after multicurrency portfolios for international investors, their advisers and smaller institutions.

The International Portfolio Management service is available for clients with a minimum of US\$500,000 to invest, through London or the Channel Islands, as individual tax situations dictate.

We have been at the forefront of the securities industry for over 200 years. We are part of HSBC Investment Banking which has 42 offices on five continents and we benefit from the global resources of HSBC Holdings plc, one of the largest banking and financial services organisations in the world.

For further information, please contact:
Stephen Oakes
James Capel Investment Management

WEEKEND INVESTOR

■ Results due next weekCompany Sector Announcement Last year Dividend (p)^a This year Dividend (p)^a

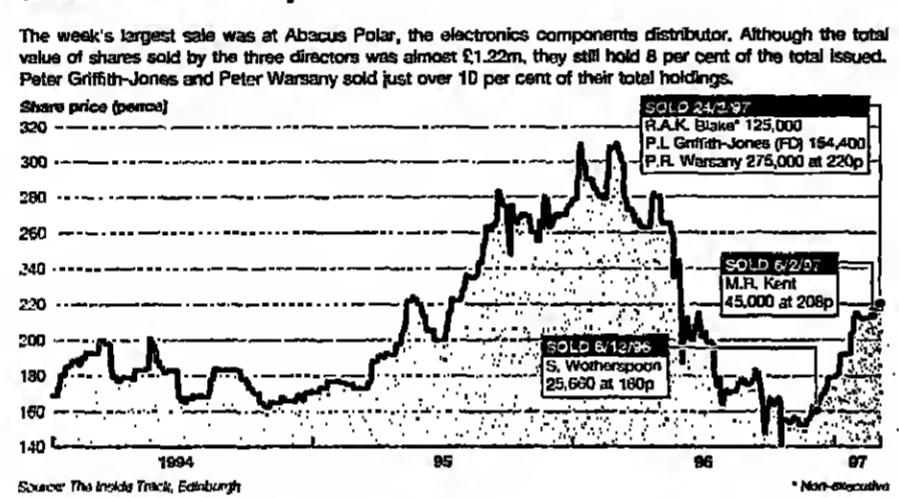
Company	Sector	Announcement	Last year Interim	Dividend (p) ^a	This year Interim	Dividend (p) ^a
FINAL DIVIDENDS						
Anglo Pacific	Edta	Friday	0.5	0.5	-	
Argent Group	Heads	Friday	-	4.2	2.1	
BBA Group	Eng	Tuesday	1.8	4.2	4.0	
BPP Holdings	Sysv	Tuesday	3.8	7.5	4.0	
Baynes (Charles)	Eng	Tuesday	1.0	1.5	1.65	
Bellarmine	Eng	Wednesday	2.2	3.1	2.2	
Bilton	Prop	Friday	3.95	4.0	4.0	
British Visa	Chees	Monday	-	-	-	
Bruntcliffe Apps.	Bills	Monday	0.4	0.35	0.4	
Calderburn	HesG	Monday	2.9	5.1	2.9	
Candover Inv.	IntR	Monday	4.5	8.75	4.75	
Capita Corp	Ltd	Tuesday	2.125	8.0	2.125	
Church & Co	RISG	Wednesday	3.0	11.5	3.25	
DMS	Sysv	Monday	-	3.2	2.0	
Costis Vytella	Text	Thursday	-	-	-	
Covariant	Med	Thursday	-	-	-	
Courts Consulting Group	Sysv	Thursday	0.5	1.4	0.75	
Cowle Group	Time	Tuesday	3.05	7.25	3.4	
Cousins Property	BAC	Tuesday	1.45	2.45	1.45	
Enterprise Oil	ONE	Thursday	6.5	9.5	8.5	
Experian Int'l.	Eng	Tuesday	1.35	1.85	1.45	
Fairby Group	ESEE	Monday	2.65	5.45	2.85	
General Cable	Tele	Tuesday	-	-	-	
Graham Group	Bills	Thursday	1.9	3.3	1.9	
Harrison & Crossfield	Dyn	Tuesday	3.8	5.4	3.8	
Heywood Williams	Bills	Wednesday	5.0	8.8	5.0	
Independent Insurance	IntC	Tuesday	-	-	-	
INSTEAM	Sysv	Wednesday	1.5	2.3	1.5	
INVEESCO	IntR	Thursday	-	-	-	
IMI	Eng	Monday	-	-	-	
Intrinsic Justice	Offn	Monday	1.2	2.4	1.3	
Joyce's Group	Heads	Thursday	-	-	-	
Jupiter International Green	IntR	Thursday	-	-	-	
Kalon Group	Ches	Tuesday	1.8	3.2	1.7	
Laporte	Ches	Monday	8.5	14.5	8.5	
Legal & General	LAs	Thursday	7.7	16.7	8.75	
Locks Wise Group	Text	Wednesday	1.75	2.5	1.75	
Liontrust	Heads	Wednesday	-	-	-	
MAG Income Inv Tel +	IntR	Thursday	1.05	1.1	1.1	
Macmillan	Med	Monday	-	-	-	
Malgrove Group	Dist	Wednesday	0.23	0.33	0.33	
Merchandise Trust *	IntR	Tuesday	3.25	3.25	3.25	
Midland Ind Newsapers	Med	Wednesday	1.2	2.3	1.3	
Minerva	Edta	Wednesday	0.21	0.42	0.21	
Mirco Group	Med	Thursday	1.2	2.8	1.35	
Mitras IT	IntR	Friday	-	-	-	
Molines	Eng	Thursday	5.9	14.1	8.5	
Nelson Hurst	IntC	Thursday	2.8	5.2	2.85	
Peak	EESE	Tuesday	1.05	2.35	1.05	
Pontland Group	Text	Tuesday	1.35	1.95	1.4	
Perry Group	Dist	Thursday	2.9	5.1	3.25	
Persimmon	RAC	Monday	3.8	6.5	3.0	
Persons Group	Gist	Monday	1.44	3.36	1.78	
Premier Oil	ONE	Monday	-	-	-	
Poon	EESE	Monday	1.5	3.6	0.65	
Rockit & Colman **	Heads	Thursday	-	7.0	-	
Reed Int'l.	Med	Wednesday	7.5	17.0	8.25	
Roten	Heads	Monday	2.2	6.3	2.5	
Renzekil Initial	Prop	Wednesday	1.23	2.97	1.48	
Robert Walters	Spwv	Tuesday	-	-	-	
Sanderson Brumall	Dist	Wednesday	1.33	2.67	1.6	
Schofers	Offn	Wednesday	4.5	11.6	6.0	
Sintra	Text	Thursday	1.70	3.7	-	
Spire-Sense Eng	Eng	Monday	4.0	9.2	4.5	
Ti Group	Eng	Wednesday	4.35	8.75	4.75	
Toolekited	Tele	Wednesday	-	-	-	
Tisbury Douglas	BAC	Thursday	7.4	15.0	7.0	
Treats Group	FdPr	Monday	-	1.5	-	
United Books	FdPr	Thursday	3.5	6.3	3.5	
United News & Media	Med	Friday	7.75	15.25	8.0	
Vitec Group	Eng	Friday	2.8	7.7	3.2	
Wellington Higgs	Eng	Tuesday	2.4	6.0	2.7	
Wood (Arthur)	Heads	Friday	2.0	-	-	
Woodchester Inv.	Offn	Thursday	-	-	-	
Yorkshire TV	Med	Tuesday	3.7	10.3	6.8	
Zeteca	Plms	Tuesday	11.25	19.75	12.5	
INTERNAL DIVIDENDS						
Cash Converters	Med	Monday	-	-	-	
Carbos Int'l.	Phm	Wednesday	-	-	-	
Domestic & General	IntC	Monday	12.25	26.0	-	
Kirkowitz Dev Fund	Time	2.75	12.5	-		
Murray Ventures	IntR	Tuesday	3.7	10.31	-	
Puchers	EESE	Tuesday	0.75	1.75	-	
Polyphex	Bills	Monday	0.83	2.14	-	
Review Group	EESE	Tuesday	1.7	2.2	-	
Stafford United	Leis	Tuesday	-	-	-	
<small>*Dividends are shown net per share and are adjusted for any intervening stock issue. Returns and accounts are not normally available until about six weeks after the board meeting to approve preliminary results. † US currency. ‡ German currency shown. ** Quarterly dividends shown. This list is not necessarily comprehensive since companies are no longer obliged to notify the Stock Exchange of imminent announcements.</small>						

■ Directors' share dealings

Transactions in own companies February 24-25 1997

Company	Sector	Announcement	Last year Interim	Dist	Value £'000	No of directors
Abacus Polar	SALES	Dist	554,400	1220	3	
Commercial Union	Insu	Dist	10,000	68	1	
Dawn Til Dush	RetG	SSer	150,000	207	1	
Dawson Holdings	Brew	SSer	8,400	18	1	
Edridge Pipe	Aico	SSer	2,500	25	1	
Glenmorangie	Man (E D & F)	SSer	101,793	200	1	
Man (E D & F)	RetG	SSer	15,266	77	3	
Mark's & Spencer	Divi	Divi	10,000	28	2	
MWF Group	Bank	Bank	20,000	124	1	
Royal Bank of Scot	LBHI	LBHI	61,000	65	1	
Stalaks	LBHI	LBHI	3,000,000	30	1	
Whitbread	Brew	LBHI	5,000	172	1	
Whitbread & Dudley	Prop	Prop	46,212	236	1	
Wm Morrison	FDPr	FDPr	10,000	44	1	
Yates Brothers	Brew	FDPr	60,000	280	1	

Companies must notify the Stock Exchange within five working days of a share transaction by a director. This list contains all transactions listed and aims, including exercise of options (†) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange. Shares traded are ordinary. Source: The Inside Track, Edinburgh, 0131-370 7070

Abacus Polar Group

Source: The Inside Track, Edinburgh

■ Last week's preliminary results

Company	Sector	Half year to profit (£'000)	Interim dividends* per share (p)	Year pre-tax profit (£'000)	Earnings* per share (p)	Dividends* per share (p)
Acorn Computer	ESEE	Dec 6,300 (12,600)	-	11	-	(-)
Anco	ANI	Dec 3,750 (1,200)	19.6 (7.9)	6 (6)		
Applied Del	PFEP	Dec 133,900 (72,000)	10.2 (2.3)	7.5 (7.5)		
Appley Wrigg Appleton	PFEP	Dec 81,500 (105,200)	0.8 (1.2)	0.375 (0.375)		
Asahi Gold ♦	Edta	Dec 52,500 (2,000)	0.8 (1.2)	0.375 (0.375)		
Ass British Parts	Time	Dec 93,500 (85,400)	18.4 (17.5)	7.75 (6.5)		
Ammunition Foods ♦	FdPr	Jan 36,500 (32,100)	17.15 (15.46)	4.5 (4.1)		
BAT India	EESE	Dec 2,495 (2,				

FT WEEKEND

Arcadia

A backwater paradise preserved

Lesley Downer rediscovers the unspoilt pleasures of remote Japan

When I got back to Yamanouchi, I wished I hadn't stayed away so long. My old friend Toshimasa picked me up from the station and we rattled off in his truck towards the pass that leads to the village. On the way we were trying to work out how long it had been. Seven years, he guessed. I thought maybe six.

At the top of the pass the familiar scene opened out before my eyes. There were the first small houses on top of the ridge, each with snow piled ludicrously high on its roof and like a smooth white blanket covering the rice terraces. To each side of the road snow was heaped as high as a house. "Not much snow this year," said Toshimasa quite seriously. "Not half as much as usual."

Japan is not where you would expect to find the rural idyll. Nevertheless, Yamanouchi is the nearest I have ever come to paradise. The road snakes away

through the village. Perhaps 200 souls live there, farming their fields, harvesting their vegetables, rearing trout in their ponds. In the summer, the place is noisy with the sound of rushing water and the chirruping of crickets. In the winter, it is utterly silent under its blanket of snow.

Life in Yamanouchi does not operate at Tokyo speed. Crowded under the *kotatsu* - a low table with a heating element beneath and quilts on top, under which you stick your knees - we settled down for a long session of catching up.

Toshimasa's mother served food in small dishes: small curled fern heads, stew made from a

rabbit which Toshimasa had caught, a small grilled trout, also caught by him, and simmered kelp tied into knots.

"Was I married yet?" she asked. Whenever I turn up the subject of marriage always arises. Trying to deflect the question, I asked about the 40-year-old man at the end of the village who, when I left there, had been in need of a wife.

His mother had asked me if I could send one from England. I told her regretfully that English people do not operate like that.

Seven years ago I nearly bought a house here. I was in Tokyo when the phone rang and Toshimasa's broad northern voice

came booming down the line.

"Lizzie-san," he roared. A wooden house with a thatched roof had become vacant. The old woman who lived there had died and the rest of her family had long since moved to Tokyo in search of work.

If someone did not buy the house it would be torn down. Toshimasa and Mr Matsui, the village elder and a keen preserver of the old ways, put their heads together. Perhaps I could buy the house and thereby save it.

I asked the price. "¥500,000," said Toshimasa. At the exchange rate of the time, that amounted

to just £2,000. I was on the next train.

It was winter that time I visited, too. Toshimasa picked me up at the station and we drove through the pass down to the village and tramped through the snow to have a look at the house. There was a place to park the car, a vegetable patch and a round pond. But the house itself, alas, was in poor condition. The wooden walls were ballasted with sheets of rusting corrugated iron; the roof needed retatching; and as for the toilet... "Rather primitive," Toshimasa had told me.

Given the standards of toilets in the village, this was not good news. In fact, it was a hole in the

ground in an outhouse by the front door.

I began to daydream. I would have a car and leave it at the local airport and commute to Tokyo. I would build an upper floor under the eaves and install my fax machine and computer. My friends would come and stay. And when no one was there, the villagers would take care of the most important task - sweeping the snow off the roof.

In the end I decided against it. It would cost a fortune to refurbish; and, as Toshimasa pointed out, it was below the road, near the river. There would be damp.

The next year a couple of things happened. A new bullet

train line was completed, linking Tokyo to Yamagata, the nearest big city, making it seriously feasible to commute to the village. And Toshimasa phoned me excitedly to tell me that the villagers had discovered a mineral hot spring. They were going to bore deeper, they would build hotels. The village would stop being the unknown little backwater which I loved and become a resort. If I only had bought that house, I thought, the land alone would no doubt have multiplied in value a thousandfold and I would be rich.

Seven years on, on my way to the village again, I was worried the place would be unrecognisable. But Toshimasa's enthusiasm had been premature - when I asked him about the hot spring he said, "Oh that, there was nothing there". The village was utterly unchanged.

As for my house... "It was torn down," Toshimasa said. The snow was so high that we could not even locate where it had been.

True Fiction

The stalking octet head for La-la Land

Michael Thompson-Noel finds there is money in madness

This stalking business is getting out of hand. I feel I can say that because I find myself in the vanguard of a stalking phenomenon. Global experts are intrigued by what is happening, for I am the first person known to be at the head of a stalking chain. There isn't only one person following me. There are seven.

It started a week before Christmas. I was crossing London's Southwark Bridge, on my way to work, when I realised I was being trailed by a woman whose name I now know to be Janet-Louise.

Janet-Louise is a stockbroker, and no shrinking violet. She is 6ft 4in, with excellent legs.

Hair reddish-yellow. Clothes: grey striped business suits, sometimes a charcoal microskirt.

I told the police I was being victimised but of course they just laughed

Appearance: glibly, glittery, exactly what you would expect of a successful, thirtysomething, female stockbroker at the end of a bull market.

I have asked Janet-Louise why she is stalking me. She says she finds it difficult to put it into words.

The first time she noticed me, we were travelling on the Tube. She felt strangely drawn. So strangely drawn that when I got out at Mansion House station, she decided to follow me. And that's how it started.

Janet-Louise sends me letters, faxes and E-mails bursting with love-gush. She phones me. She wants me to go on holiday with her.

I am being persecuted, harassed. I told the police I was being victimised but of course they just laughed.

Then things got complicated. Four days after Christmas Janet-Louise was following me through a department store - when, pausing in Sleepwear, I saw that someone - male, early 20s, raven-haired, obviously born to crime - was stalking Janet-Louise. His name is Kevin.

On January 15 I noticed that while Janet-Louise was stalking me and Kevin was following Janet-Louise, someone - stringy, crew-cut, also early 20s, possibly a tattoo chef - was stalking Kevin. His name is Simon.

On January 27 our congruence of stalkers grew to five when a woman called Vivica started following Simon.

Two days later we were joined by Danny, tracking Vivica.

On February 13 Annette started stalking Danny.

And on February 26 our cast grew to eight when Paul tagged himself on the end, pursuing Annette.

As an arena, the Underground mixes public space with a desire for privacy. It is where the unwanted newspaper is tossed on the carriage floor, instead of folded on the seat for the next commuter, is more a violation of public morals than a well-meant drugs ad.

Our full stalking chain, eight-strong, is not in action every day. Stalking isn't like that.

For example, some days, when the stock market is rocketing crazily higher, Janet-Louise does not show up. So Kevin stalks me, followed by Simon, Vivica, Danny, Annette and Paul. Sometimes only four or five chain members put in an appearance.

But when at full strength we are a remarkable sight. The other Saturday I drove to south London to watch Wimbledon Football Club v妄冠 Queens Park Rangers in the FA Cup.

Nice game. Three goals. And there we were: an eight-strong stalking chain, all present and correct, sitting one behind the other in Rows 2 to 9, E Section, main grandstand.

At full-thrust we all bought burgers, though there was a nasty incident when Paul bumped into Annette as she was standing in the queue, causing Annette to cannon into Danny who ricocheted off Vivica, into Simon, past Kevin, round Janet-Louise and me - into the tattooed arms of a die-hard Wimbledon fan. One of the Cro-Magnons. At 21m. Wearing a necklace of razor blades.

The Cro-Magnon growled *Aaaaaahhhh!* and *Fssss'gggg!!* as he came towards us. Our prospects were appalling. But I gave him £300 and calm was restored.

I do not want to make light of all this. Stalking, even non-celebrity stalking, is a grim business.

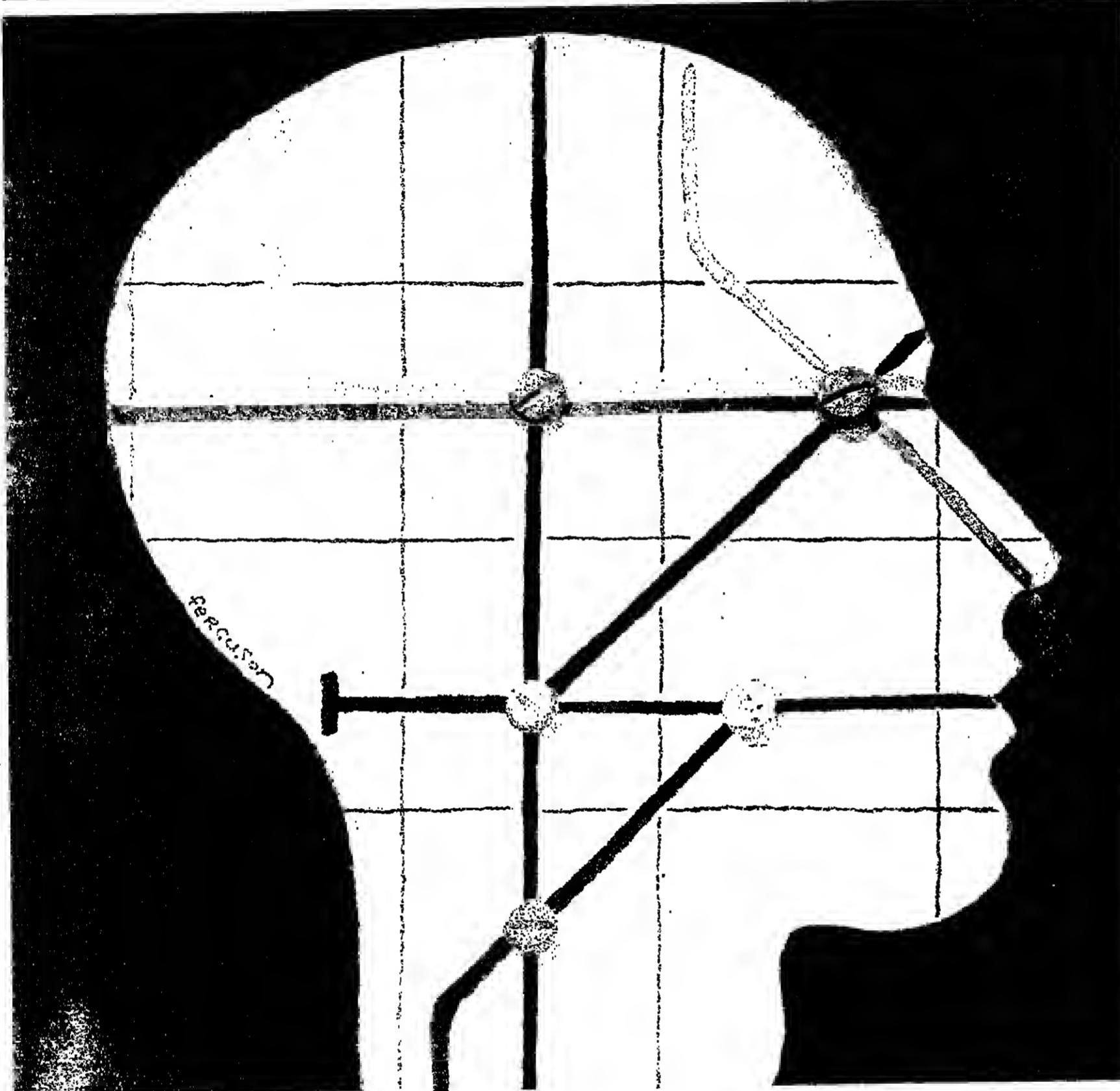
I have been blackly depressed ever since Janet-Louise first started harassing me just before Christmas, and things have not improved now that we have Kevin, Simon, Vivica, Danny, Annette and Paul in tow.

But help is at hand. The people who are most sympathetic to my plight are the stalking specialists employed by the Threat Management Unit of the Los Angeles Police Department. Los Angeles being the epicentre of world stalking. The TMU has sent highly skilled counsellors to London, to talk me through my ordeal.

They have explained that the police are often unable to deter stalkers. As a result, victims of stalking usually have to change job and move house to escape stalkers.

The TMU counsellors want me to move to Los Angeles. But there is a catch. So intrigued are they by the phenomenon of an eight-strong stalking chain that they want all of us to move to LA. In LA is LA, apparently, a story line ours is worth \$60m.

"Very well," I've said. "I'll ask Janet-Louise, Kevin, Simon, Vivica, Danny, Annette and Paul if they'll move to LA. They're all mad, you know. I'm sure they'll say yes."



Metropolis

Tolerance on the Tube

New in-your-face drugs ads on the Underground have met with much approval. Simon Kuper reports

The Tube is a venue willingly or otherwise, it is a shared space, a commune on wheels, a town square with slashed seats and very occasional, hushed conversations. When the doors open, you enter a lived-in space, the newspapers strew, chocolate wrappers on the floor and a beer can in the corner. Still, you are a stakeholder, even if you cannot get a seat.

The veins of lines, blue, red, green and the rest, are souvenir postcards. The Underground is like the Metro is like the Subway is like Tokyo's *chikatetsu* - subterranean rail networks that tell you something about their city. They perform the same function, but they smell and look different. The carriages are clean or dirty, crowded or empty, old, modern.

In London, the Underground began running 134 years ago and was the first of its kind. There is talk of it being privatised, but a change of ownership won't mean that the company you keep will change or that the frequency of conversations will increase. The people stand jammed against one another, hardly ever speaking, avoiding eye contact and sitting some distance from the person who looks slightly crazy.

Most passengers spend a lot of time looking at the advertisements in the carriages, particularly when a Northern Line train breaks down in a tunnel for 20

minutes at rush hour on a sweltering day in mid-July. There's travel insurance (not intended for London trains), images of an idyllic Scotland, and matchmaker ads that mock the Underground experience, showing two lonely people passing each other on the escalator, never to meet but meant to be together.

Most ads, unlike the landscapes and experiences they hint at, are guaranteed not to offend. It's the same with the "Poems on the Underground", the ad-like verses intended to have general appeal and to be a civilising experience for the commuter. They are tame, mostly rhyme and are easy to read, as one would expect of a campaign in so public a space as a private club.

But the Underground is a place for experimentation, where its social messages are perceived to be ahead of public opinion - the difficulty is in measuring that opinion, judging whether a tabloid editorial or a moving billboard is more representative of the collective mind.

No passengers complained formally about Wonderbra ads which used the warbling heard at London station platforms, "Mind the Gap", over a picture of a buxom model. Posters for "18" rated films run regularly. TDI Advertising, which owns the rights to advertisement sites on the Underground, even passed Time Out magazine's Good Sex Guide posters after a few alter-

nations. The public appears to be strikingly liberal.

The latest in-your-face campaign deals with drugs. These passengers can entertain themselves with large cross-track signs in bright primary colours which proclaim, in pink letters, "Ecstasy", "Cocaine" and "Speed". The government, for the first time, is helping to pay for a campaign that advises on how to take drugs as safely as possible. Its posters are part of London

rooms. Others have scrawled "Legalise" above the drug names.

These are new-style posters for a new-style campaign. For unlike earlier campaigns, such as Nancy Reagan's "Just Say No" drugs war in the US, this one presumes that young people are taking illegal substances.

British pop stars, taken more seriously than politicians by teenagers, have recently argued the same case.

London Dance Safety aim to give only facts about drugs. Ciaran O'Hagan, one of the organisers, says clubbers, like most people with hobbies, have a "train-spotters" mentality: they draw any critics out. Some people said that while they themselves were delighted with the posters, other Tube travellers - the semi-mythical Conservative lady on a day trip from Cheltenham - might get upset.

But even she has yet to complain. TDI suspects that may be because she has no idea what words like "speed" and "ecstasy" refer to.

So is the travelling public really so liberal? After all, tabloid newspaper campaigns against Ecstasy appear to be popular, and a harsh anti-drugs bill now going through the House of Commons has all-party support.

It may be that there are two arenas for debate on drugs. In private, some people are tolerant, as they have either taken drugs themselves or have friends who have. That may explain the "train-spotters" mentality: they draw any critics out.

In focus groups beforehand, most Tube users applauded the drugs campaign. Parents wanted to have the booklets themselves, to be able to spot when their children were taking drugs.

The London School of Hygiene, which ran the focus groups, knows that people tend to be afraid of expressing illiberal opinions in public. It says the tendency may be even more pronounced among Londoners. So the school made a point of trying

Some clubgoers have tried to tear the posters off Tube walls

Dance Safety, aimed at late-night clubgoers.

The six different posters had to look cool - they resemble flyers for nightclubs - otherwise the target audience would have failed to notice them. Clubbers had told the campaigners that classic drugs-war posters, showing grainy photographs of dying addicts with syringes and skulls, had become "boring". Clubbers seem to like the London Dance Safety posters. Some have tried to tear them off Tube walls to take them back to their bed-

rooms. Others have scrawled "Legalise" above the drug names.

These are new-style posters for a new-style campaign. For unlike earlier campaigns, such as Nancy Reagan's "Just Say No" drugs war in the US, this one presumes that young people are taking illegal substances.

British pop stars, taken more seriously than politicians by teenagers, have recently argued the same case.

London Dance Safety aim to give only facts about drugs. Ciaran O'Hagan, one of the organisers, says clubbers, like most people with hobbies, have a "train-spotters" mentality: they draw any critics out.

It may be that there are two arenas for debate on drugs. In private, some people are tolerant, as they have either taken drugs themselves or have friends who have. That may explain the "train-spotters" mentality: they draw any critics out.

In focus groups beforehand, most Tube users applauded the drugs campaign. Parents wanted to have the booklets themselves, to be able to spot when their children were taking drugs.

The London School of Hygiene, which ran the focus groups, knows that people tend to be afraid of expressing illiberal opinions in public. It says the tendency may be even more pronounced among Londoners. So the school made a point of trying

Never in the history of stalking have eight people been involved in a stalking chain. Even double stalking - a simple threesome - has not been reported.

They have explained that the police are often unable to deter stalkers. As a result, victims of stalking usually have to change job and move house to escape stalkers.

The TMU counsellors want me to move to Los Angeles. But there is a catch. So intrigued are they by the phenomenon of an eight-strong stalking chain that they want all of us to move to LA. In LA is LA, apparently, a story line ours is worth \$60m.

"Very well," I've said. "I'll ask Janet-Louise, Kevin, Simon, Vivica, Danny, Annette and Paul if they'll move to LA. They're all mad, you know. I'm sure they'll say yes."